

# DAILY REPORT

*China*

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ASIAN EXPERTS SPEAK ON POPULATION TRENDS

OW281441 Beijing XINHUA in English 1254 GMT 28 Oct 81

[Excerpts] Beijing, October 28 (XINHUA) -- Specialists from the Philippines, Japan and China spoke about the population trends in Asia and population control measures adopted by various countries at the Asian Conference of Parliamentarians on Population and Development here this morning. They stressed the close relationship between population growth rate and economic development.

Prof Liu Zheng, director of the Population Research Institute of the Chinese People's University, outlined China's population control program, which is integrated into the nation's overall five-year economic plans.

In family planning, Liu Zheng said, we educate the people by all means, making them understand the benefits that will accrue not only to the state, but also to themselves. "We firmly oppose compulsory birth control methods," he said, "and advocate ideological education and suitable economic rewards."

The State Family Planning Commission, established by the National People's Congress, has branches at every level of government. The commission has mandated a series of incentives to back up their widespread education and publicity campaign of "one couple, one child."

The commission provides, for couples having only one child, a child-care allowance, prolonged maternity leave and increased pensions. Free day care is already widely practised throughout the nation. Family planning advice, contraceptive devices, abortion and sterilization are all provided free of charge as well.

The NPC, in China's new constitution adopted in March 1978, specifically stated "the state advocates and encourages family planning." The 12th article of the new marriage law adopted in 1980 says "husband and wife are duty bound to practise family planning. Late marriage and late childbirth should be encouraged."

CHEN MUHUA ATTENDS BEIJING UN DAY RECEPTION

OW240834 Beijing XINHUA in English 0742 GMT 24 Oct 81

[Text] Beijing, October 24 (XINHUA) -- On the occasion of United Nations Day, Nessim Shallon, resident co-ordinator of the United Nations system's operational activities for development, gave a reception at the U.N. building here today.

Among the Chinese guests present were Chen Muhua, vice-premier and minister of economic relations with foreign countries, and Zhong Xidong, vice-minister of foreign affairs.

Chen Muhua and Nessim Shallon raised their glasses to the continuous development of cooperation between China and the United Nations.

Also present were diplomatic envoys of various countries to China.

YANG JINGREN MEETS WORLD FOOTBALL GROUP

OW250752 Beijing XINHUA in English 0716 GMT 25 Oct 81

[Text] Beijing, October 25 (XINHUA) -- Yang Jingren, vice-premier of the State Council, met with a delegation of the Federation Internationale de Football Association (FIFA) led by the federation's President Joao Havelange as well as Henry Ying Tung Fok, executive member of the FIFA, and his party at the Great Hall of the People here today.

Yang Jingren had a cordial and friendly conversation with them.



Present at the meeting were Li Menghua, minister of the State Physical Culture and Sports Commission, Lu Jindong, vice-minister of the commission, Li Fenglou, president of the Chinese Football Association, and He Zhenliang, deputy secretary-general of the Chinese Olympic Committee and member of the International Olympic Committee.

The delegation arrived here yesterday on a visit to China at the invitation of the Chinese Football Association. It will watch the matches of the Great Wall Youth Cup International Soccer Tournament.

This is the first official visit to China by President Joao Havelange since China's legitimate seat was restored in the FIFA. He visited China in 1974 and 1979.

#### NUCLEAR TECHNOLOGY EXHIBIT OPENS IN BEIJING

OW231228 Beijing XINHUA in English 1214 GMT 23 Oct 81

[Text] Beijing, October 23 (XINHUA) -- A nuclear technology exhibit sponsored by the American Nuclear Society opened at the Beijing exhibition hall here this morning. Professor Wang Ganchang, president of the Chinese Nuclear Society, cut the ribbon at the opening ceremony.

Thirty companies from Canada, Italy, Sweden, the United Kingdom and the United States are taking part. Exhibited are nuclear instruments, specialized computer systems and software, power supply appliances for the nuclear industry, remote control and protection equipment.

President Corwin L. Richard of the American Nuclear Society spoke at the opening ceremony. He said that the A.N.S. is an international, professional society devoted to sharing technical information on nuclear energy. He said, "I look forward to the success of this exhibit in encouraging the Chinese nuclear power and technology programs and in furthering the friendship between the American Nuclear Society and the Chinese Nuclear Society and the other organizations of China that are developing peaceful uses of nuclear energy."

Wang Wenlin, vice-chairman of the China Council for the Promotion of International Trade, [CCPIT], said in his speech that the exhibit provides Chinese specialists and technicians with a good opportunity to learn about advanced nuclear technology. He expressed China's willingness to cooperate with the advanced countries in nuclear technology.

Charles Freeman, charge d'affaires ad interim of the United States Embassy in Beijing, also spoke at the ceremony.

The exhibit will continue till the end of this month. Yesterday, Wang Yaoting, chairman of the CCPIT, gave a reception in honor of the opening of the exhibit.

#### Reception To Mark Exhibit

OW271714 Beijing XINHUA in English 1538 GMT 27 Oct 81

[Text] Beijing, October 27 (XINHUA) -- A reception was given here tonight by the American Nuclear Society to mark the nuclear technology exhibit in Beijing sponsored by the society.

Present at the reception were Wang Ganchang, president of the Chinese Nuclear Society; Jiang Shengjie, vice-president of the society; Mao Henian, vice-minister of power industry, and Wang Wenlin, vice-chairman of the China Council for the Promotion of International Trade.

Corwin L. Richard, president of the American Nuclear Society, said he was satisfied with the professional technicians' welcome of the exhibit since its opening October 23.

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Liu Wei, minister of the Second Ministry of Machine Building, and leaders of other government departments were among those that visited the exhibit.

The exhibit will close October 31.

TOKYO SYMPOSIUM ON 1911 REVOLUTION ENDS

OW231702 Beijing XINHUA in English 1644 GMT 23 Oct 81

[Text] Tokyo, October 23 (XINHUA) -- The international symposium on the 70th anniversary of China's 1911 revolution came to a close here this afternoon after three days of lively discussion.

Many scholars of various countries spoke on the topic, "the 1911 revolution and international relations," from different angles. Among the reports that attracted keen interest were: The 1911 Revolution and the United States East Asian Policy by U.S. Professor M.B. Jansen of Princeton University; The Revolution of 1911 in Hunan and the Popular Movement, by Japanese Associate Professor Minoru Shimizu; The Issue of Imperialism Before and After the Outbreak of the 1911 Revolution, by French Professor M.C. Bergere; Hsinhai Revolution and Foreign Powers, by Soviet Professor S.L. Tikhvinski; and the Status of the 1911 Revolution in China's Modern History, by Chinese Professor Hu Sheng of Beijing University.

The symposium, scholars hailing from different countries said, provided a good opportunity for international academic exchange and study on such historical event as the 1911 revolution. The U.S., Japanese and French scholars regretted that Taiwanese scholars failed to attend the symposium after they had sent in their application.

During the symposium, 19 academic reports were made. Some 30 Japanese scholars took part in the discussions.

WEINBERGER, BLAKER VIEW ANTINUCLEAR PROTESTS

OW261642 Beijing XINHUA in English 1630 GMT 26 Oct 81

[Text] Beijing, October 26 (XINHUA) -- U.S. Defense Secretary Caspar Weinberger and British Minister of State for Defense Peter Blaker today criticized the weekend demonstrations in six Western European capitals against nuclear arms race.

The demonstrators had raised their voices against American plans to deploy U.S. Pershing II and cruise missiles in Western Europe, according to Western news agency reports.

Speaking at a news conference at the U.S. Andrews Air Force Base upon his return today from an 11-day trip to Europe and from NATO's nuclear planning group meeting in Scotland, Weinberger said, "We all share the basic feeling that nobody wants a nuclear war. We have very different ideas about how to achieve that result."

He denounced "pacifist" calls for unilateral disarmament by the West, saying: "I think their policy invites (Soviet) aggression rather than deters it by encouraging the strength necessary to maintain the peace." "I do not believe they (protestors) represent governmental views" and "I don't think they represent anything like correct policy," he maintained.

Weinberger said he thinks the Pershing II and cruise nuclear missiles will go into all five nations (Britain, West Germany, Italy, Belgium and the Netherlands) as planned, despite the protests.

Peter Blaker, British minister of state for defense, said in an interview with Independent Radio news in London today that the rallies in Western European capitals could jeopardize next month's East-West disarmament talks by merely strengthening the Soviet hand at the conference table.

He pointed out that "it's not particularly helpful to the success of those negotiations that these demonstrations should be taking place at the present time, because it may erroneously give the Russians the impression that the Western hand in those negotiations is going to be weakened by the feeling in Western Europe."

EUROPEAN SECURITY CONFERENCE RESUMES IN MADRID

OW280903 Beijing XINHUA in English 0812 GMT 28 Oct 81

[Text] Madrid, October 27 (XINHUA) -- The conference on Security and Cooperation in Europe (CSCE) resumed session here today after a three-month summer recess.

John Wilberforce, British delegation chief, speaking on behalf of the ten EEC countries, criticized the Soviet Union for its continued occupation of Afghanistan, harassment of Jews who want to emigrate and its jamming of Western Russian-language broadcasts. The speech won the support of the U.S. delegation.

Leonid Iliychev, head of the Soviet delegation, accused the West of "cheap propaganda" for its insistence to include a review of human rights in the Soviet Union in a final document from the follow up conference in Madrid of the 1975 Helsinki agreement.

U.S. delegation leader Max Kampelman described Iliychev's speech as most disappointing and ill-boding for the deadlocked conference.

The European Security Conference, in its over a year's go-and-off negotiations, has reached no substantive agreement. It now resumes session with each side becoming more unpromising.

U.S. OFFICIAL ON COMING U.S.-USSR GENEVA TALKS

OW270352 Beijing XINHUA in English 0307 GMT 27 Oct 81

[Text] Brussels, October 26 (XINHUA) -- A senior U.S. official told newsmen at NATO headquarters here this afternoon that there was firm support for the basic negotiating objectives of equal, verifiable and global limitations on land-based missiles in the upcoming U.S.-Soviet Geneva talks to begin November 30.

This was briefed after NATO's Special Consultative Group (SCG) met here today. The meeting was chaired by Lawrence Eagleburger, U.S. undersecretary of state for European affairs.

The senior official, who asked not to be identified, stated that the U.S. and its allies are determined to work for fair and effective limitations regardless of all difficulties. The alliance, he said, favors reductions to the lowest possible level which could include the possibility of a zero option under ideal circumstances and on a basis of reciprocity. This would involve zero on both sides, including the dismantling and destruction of all relevant Soviet theatre nuclear missiles on a global basis.

The U.S. official stressed that Soviet moratorium proposals are unequal in a number of important respects. They would leave in place a massive Soviet superiority in the long-range TNF while blocking NATO TNF modernization and denying NATO the equivalent means of deterrence. Moreover, Soviet proposals for limits only in Europe would not provide for effective arms control, given the range and mobility of the forces involved. Besides, the Soviet claims that a balance exists are false. They have excluded a vast number of their own systems, based on the premise that systems that can strike the European allies from the USSR are less significant than systems that can reach the USSR from NATO Europe.

In response to a questionnaire the senior U.S. official acknowledged that there does exist difference of opinion on some negotiating approaches within the alliance both between the U.S. and its European allies and among the allies themselves. He reaffirmed that the U.S. is gravely concerned about Soviet nuclear threat to the allies. The essence of the alliance's deterrent strategy is that an attack on one is an attack on all, he said.

It was disclosed during the briefing that NATO's Special Consultative Group will meet again in November, prior to the beginning of the Geneva negotiations.

REAGAN SAYS U.S. MAY HAVE DIALOGUE WITH PLO

OW282015 Beijing XINHUA Domestic Service in Chinese 1601 GMT 27 Oct 81

[Text] Beijing, 27 October (XINHUA) -- According to a UNITED PRESS INTERNATIONAL dispatch from Beirut, the Beirut newspaper AN-NAHAR reported on 25 October that U.S. President Reagan has indicated that with Saudi Arabia's assistance, the United States might begin a dialogue with the PLO.

Reagan made this remark during an interview with a reporter of the Independent News Alliance [as received]. In this connection, UPI pointed out that, "Although Reagan's remarks seemed to have indicated a certain change in U.S. foreign policy, he promptly added a restrictive condition by saying that the PLO must first recognize Israel's right to exist."

Asked whether the United States would eventually approve talks with the PLO, Reagan said, "I think this is part of what is at stake here. I think Saudi Arabia could be an element in this."



Pressed if this meant bringing the PLO into the Middle East peace negotiations, Reagan said: "yes."

Reagan said that the Palestinian problem has to be solved. He added, however, that "I don't like to talk just about the PLO."

VICE PREMIER HUANG HUA ARRIVES IN WASHINGTON

OW290754 Beijing XINHUA in English 0745 GMT 29 Oct 81

[Text] Washington, October 28 (XINHUA) -- Chinese Vice-Premier and Foreign Minister Huang Hua arrived here this evening for an official visit at the invitation of U.S. Secretary of State Alexander Haig.

U.S. President Ronald Reagan will meet Huang Hua and Haig will hold talks with him. The two sides are to discuss important international developments, and in particular, problems in bilateral relations.

Huang Hua was greeted at the airport by John H. Holdridge, assistant secretary of state; Arthur William Hummel, U.S. Ambassador to China; and other U.S. officials.

Chinese Ambassador to the United States Chai Zemin and other diplomats of the Chinese Embassy were also present.

Huang Hua came here after attending the Cancun North-South conference and accompanying Chinese Premier Zhao Ziyang to pay an official visit to Mexico.

CPPCC DELEGATION LEAVES FOR VISIT TO U.S.

OW281516 Beijing XINHUA in English 1506 GMT 28 Oct 81

[Text] Beijing, October 28 (XINHUA) -- A Chinese People's Political Consultative Conference National Committee delegation left here today for a visit to the United States at the invitation of the national committee on U.S.-China relations. The delegation is led by Wang Shoudao, vice-chairman of the CPPCC National Committee and Ping Jiesan, standing member of the committee.

The delegation was seen off at the airport by Cheng Zihua, vice-chairman of the committee, Gong Dafei, vice-minister of foreign affairs, and Charles Freeman, American charge d'affaires ad interim to China.

GENG BIAO MEETS U.S. GUESTS IN BEIJING

OW261616 Beijing XINHUA in English 1528 GMT 26 Oct 81

[Text] Beijing, October 26 (XINHUA) -- Geng Biao, vice-premier of the State Council, today met with a delegation from the Northeast Asia-U.S. Forum on International Policy of Stanford University, headed by John W. Lewis, director of the forum.

Both sides had a friendly conversation on international strategy. Geng Biao said the study of international strategy was primarily for opposing hegemonism and safeguarding world peace.

Jiang Youshu, secretary general of the Beijing Institute for International Strategic Studies, attended the meeting.

The U.S. guests arrived here October 24, at the invitation of the Beijing Institute for International Strategic Studies.



BREZHNEV'S CALL FOR MIDEAST MEETING CITED

OW281302 Beijing XINHUA in English 1248 GMT 28 Oct 81

[Text] Moscow, October 27 (XINHUA) -- Soviet President Leonid Brezhnev today renewed Moscow's call for a Soviet-participating international conference on the Middle East, according to a TASS report.

Speaking at a dinner given in honour of President 'Ali Abdullah Salih of the Yemen Arab Republic, he said the Soviet Union restated its call for an international conference on the Middle East because of the increasingly grave situation in that region.

He also said that the Palestine Liberation Organization should also take part in such a conference on an equal footing along with all the Arab countries having a common frontier with Israel, and Israel itself. It could also be attended, alongside the Soviet Union and the United States, by other states that would represent the regions adjacent to the Middle East, say Western Europe, North Africa and South Asia, he added. He said the only objective of the Soviet proposal is "a just and all-embracing settlement in the Middle East."

In his speech, Salih condemned Israel's policy of aggression and expansion, and pointed out that no solution that ignores the Palestinian question could be successful. He stressed that his country follows a policy of neutrality and non-alignment and would establish relations with other countries on the basis of the principles of non-interference in each other's internal affairs and mutual respect for each other's interests.

President 'Ali 'Abdullah Salih arrived here yesterday on an official visit, and has held talks with Soviet leaders on the relations between the two countries and the Middle East situation.

During their talks, Brezhnev criticized the U.S. Middle East policy while alleging that the Soviet Union entertains no designs on the states of the Middle East or other parts of the world.

DENG XIAOPING MEETS JAPANESE DELEGATION

OW281334 Beijing XINHUA in English 1324 GMT 28 Oct 81

[Text] Beijing, October 28 (XINHUA) -- Deng Xiaoping, vice-chairman of the Central Committee of the Communist Party, met today with a delegation from the Japan-China Association led by Seiji Kaya, president of the association.

Deng Xiaoping said China and Japan have a long mutual history and relations between the two are very important both now and for a long time to come. He said: "I believe the people of China and Japan have a common belief we should treat relations between the two countries from a long-term point of view instead of an expedient one."

He expressed satisfaction with development of relations between the two countries since normalization. He said China needs wide-ranging help from Japan, and Japan also needs China's support in many aspects. He said in international affairs China and Japan need to constantly coordinate their views and moves.

82-year-old Seiji Kaya, noted Japanese physicist, said the Japan-China Association has sent the delegation to China after a recent reshuffle and it would exert itself to accomplish the mission of promoting friendship between Japan and China.

Members of the delegation include Esaki Reona, Nobel prize winner, Mukaibo Takashi, former president of Tokyo University, Ogawa Heishiro, former Japanese ambassador to China, and two Dietmen. Deng Xiaoping thanked them for their efforts for Sino-Japanese friendship and answered their questions.

Present were Liao Chengzhi, vice-chairman of the Standing Committee of the National People's Congress, Chu Tunan, adviser to the China-Japan Friendship Association, and Yasue Katori, Japanese ambassador to China.

## KYODO Report

OW281303 Tokyo KYODO in English 1255 GMT 28 Oct 81

[Text] Beijing, Oct 28 (KYODO) -- China's strongman, party Vice Chairman Deng Xiaoping, said Wednesday that the long-pending issue of whether to restore the one-man head of state system is still under study.

Deng made the disclosure during a meeting with a visiting delegation of the Japan-China Association, led by former Tokyo University President Seiji Kaya.

Referring to an earlier call made by the MING PAO daily of Hong Kong for Deng to assume the post of head of state, the vice chairman showed embarrassment. He told the Japanese that he wants to live on longer but that if he accepts the post, his burdens would increase and exhaust his physical strength.

Touching on China's recent fresh proposals to the nationalists on Taiwan for reunification, Deng said China would welcome help from Japan and the United States in effecting reconciliation between the mainland and Taiwan.

Commenting on the yen 300 billion (dollar 1.3 billion) in economic assistance offered by the Japanese Government in September, Deng said the amount was not as big as China had hoped. But China cannot ask too much aid from Japan, he said. Deng indirectly expressed a desire for Japan's continued aid in the future.

The vice chairman also said China and Japan should take common action on international problems.

GU MU MEETS JAPAN INDUSTRIAL BANK PRESIDENT

OW281552 Beijing XINHUA in English 1522 GMT 28 Oct 81

[Text] Beijing, October 28 (XINHUA) -- Vice-Premier Gu Mu met here today with Kisaburo Ikeura, president of the Industrial Bank of Japan, and his party. They talked on the enhancement of friendship and cooperation between the two sides.

Chang Yanqing, acting chairman of the Board of Directors of the Bank of China, was present.

Kisaburo Ikeura arrived here October 24 to preside over the opening ceremony of the Beijing representative office of the bank and for a friendly visit to China at the invitation of the Bank of China.

LIAO CHENGZHI MEETS JAPANESE CULTURAL GROUP

OW281241 Beijing XINHUA in English 1226 GMT 28 Oct 81

[Text] Beijing, October 28 (XINHUA) -- Liao Chengzhi, vice-chairman of the Standing Committee of the National People's Congress and president of the Sino-Japanese Friendship Association, met this morning with a delegation from the Japan-China Cultural Exchange Association headed by Torao Miyagawa, director-general of the association.

Lin Lin, vice-president of the Chinese People's Association for Friendship With Foreign Countries, attended the meeting. Guests and hosts had a lively conversation in a cordial atmosphere.

After the meeting, Liao Chengzhi had breakfast with the Japanese delegation.

PRC YOUTH DELEGATION DEPARTS FOR JAPAN

OW271255 Beijing XINHUA in English 1207 GMT 27 Oct 81

[Text] Beijing, October 27 (XINHUA) -- A 16-member Chinese youth delegation led by Liu Weiming, acting chairman of the All-China Youth Federation, left here this morning on a friendly visit to Japan. They will be the guests of the Japan-China Friendship Association, the Socialist Party of Japan and the Japan Seinendan Council.

NEW FORM OF USSR-SRV COOPERATION NOTED

OW271754 Beijing XINHUA in English 1658 GMT 27 Oct 81

[Text] Beijing, October 27 (XINHUA) -- A ranking Vietnamese official has confirmed the speculation that the Soviet Union is changing its policy governing its assistance to Vietnam.

The speculation circulated last September when Vietnamese party boss Le Duan visited Moscow and had talks with President Leonid Brezhnev.

In an article published in the Vietnamese party paper, NHAN DAN, on Oct. 21, Nguyen Khac Vien, a senior official of Vietnamese propaganda, wrote that his country's economy is now like "a coach of the Soviet train hauled by the locomotive of the whole (Soviet economic) community."

He added that "today, Vietnam has become a member of the socialist community" and that Vietnam "should now integrate itself with the community."

"From now on," he said, "it is no longer a matter of seeking aid (from the Soviet Union), but one of international division of economic performance. Every member should perform its share of duty in the common cause."

A communique released at the end of Le Duan's visit to Moscow announced that the Soviet Union and Vietnam have agreed "to undertake jointly 40 projects of enormous of economic significance." By "joint undertaking," it is meant that the Soviet Union will provide designs and machinery as its share of investment in the projects and will send its personnel to participate in the management. Previously, all Soviet aid projects were built and run by Vietnam itself with the help of Soviet experts. "Joint undertaking" also means that instead of receiving Soviet assistance, Vietnam will now have to increase its exports to pay for what it gets from the Soviet Union.

TASS has reported earlier that Vietnam promised to boost the export of its rubber, timber, coffee, tea, fruit, handicraft articles and garments to the Soviet Union. This will be done in spite of the painful shortages on the home market.

Hanoi observers believe that the new form of Soviet-Vietnamese "economic cooperation" will tighten Moscow's grip of Vietnam's economy.

BANK OF CHINA DELEGATION VISITS NEW ZEALAND

OW280228 Beijing XINHUA in English 0219 GMT 28 Oct 81

[Text] Wellington, October 28 (XINHUA) -- A Bank of China delegation left New Zealand for home today after an eight-day visit to three N.Z. cities.

Prime Minister and Minister of Finance Robert Muldoon had a friendly talk with the Chinese delegation on October 22. Foreign Minister Brian Talboys met the delegation the previous day.

The delegation, led by Vice Chairman of the board and Vice President of the Bank of China Chen Kedong, arrived here on October 20 at the invitation of New Zealand's Reserve Bank. The visit was the first ever paid to N.Z. by a Chinese bank delegation.



DANISH PRIME MINISTER JORGENSEN CONTINUES VISIT

## Visits Jiangsu Province

OW261622 Beijing XINHUA in English 1557 GMT 26 Oct 81

[Text] Shanghai, October 26 (XINHUA) -- Danish Prime Minister Anker Jorgensen, Ingrid Jorgensen, and their party today visited Wuxi city of Jiangsu Province and returned here by train this afternoon.

The prime minister and his wife arrived in Wuxi from Shanghai by train this morning. At noon today, the Jiangsu provincial people's government gave a banquet in honor of the distinguished Danish guests.

Proposing toasts at the banquet, Vice-Governor of Jiangsu Province Gong Weizhen and Jorgensen wished the friendly relations and cooperation between China and Denmark constant development.

Assistant Minister of Foreign Affairs Song Zhiguang and his wife who are accompanying the Danish guests on visit were also present at the banquet.

While in Wuxi, the Danish guests visited an industrial exhibition center, the Huishan clay figurine studio, and toured Liyuan garden, Yuantouzhu Park, and made a boating excursion on Taihu Lake.

Upon their arrival in and departure from Wuxi, the Danish guests were welcomed and seen off at the Wuxi railway station by Vice-Governor Gong Weizhen, Mayor of the Wuxi city Ma Jian and other leading members of the Jiangsu Province and Wuxi city.

## Visits Guilin

OW271648 Beijing XINHUA in English 1635 GMT 27 Oct 81

[Text] Guilin, October 27 (XINHUA) -- Danish Prime Minister Anker Jorgensen, Ingrid Jorgensen, and their party arrived in Guilin from Shanghai by special plane this afternoon in the company of Song Zhiguang, assistant minister of foreign affairs, and his wife.

Welcoming the distinguished Danish guests were Vice-Chairman Liang Chengye of the people's government of Guangxi Zhuang Autonomous Region and his wife; Zhang Mutian, deputy administrative head of the Guilin Prefecture, and Cui Jincai, vice-mayor of the Guilin city.

This evening, the people's governments of Guangxi Zhuang Autonomous Region and Guilin city jointly gave a banquet in honor of Anker Jorgensen, Ingrid Jorgensen, and their party.

The Danish guests toured the "Reed Flute" cave this afternoon.

Before leaving Shanghai, the Danish guests visited the Jiangnan shipyard accompanied by Vice-Mayor of Shanghai Han Zheyi.

## Boating in Guilin

OW281606 Beijing XINHUA in English 1527 GMT 28 Oct 81

[Text] Guilin, October 28 (XINHUA) -- Danish Prime Minister Anker Jorgensen, Mrs. Jorgensen and their party made a boating excursion on the Lijiang River to enjoy the picturesque landscape along the banks. They were accompanied by Liang Chengye, vice-chairman of the people's government of Guangxi Zhuang Autonomous Region, and his wife, and Song Zhiguang, assistant foreign minister, and his wife.

The Danish guests also visited the Guangxi oranges and tangerines research institute.



XI ZHONGXUN MEETS WITH NORWEGIAN DELEGATION

OW271614 Beijing XINHUA in English 1527 GMT 27 Oct 81

[Text] Beijing, October 27 (XINHUA) -- Xi Zhongxun, vice-chairman of the Standing Committee of the National People's Congress, met here today with a delegation of public figures from Norway led by Professor Bjarne Waaler, rector of the University of Oslo. Present at the meeting were Hou Tong, vice-president of the Chinese People's Association for Friendship With Foreign Countries, and Tancred Ibsen, Norwegian ambassador to China. The Norwegian guests arrived here October 23 at the invitation of the Chinese Amity Association.

FRANCE'S MITTERRAND MEETS XINHUA DIRECTOR

OW290947 Beijing XINHUA in English 0707 GMT 29 Oct 81

[Text] Paris, October 28 (XINHUA) -- French President Francois Mitterrand received Zeng Tao, director general of XINHUA NEWS AGENCY, at Palais de l'Elysee this afternoon. The French president had a cordial and friendly conversation with the Chinese guest and elaborated his views on current international situation, the defence problem of Europe, North-South dialogue and closer friendly relations between France and China.

Henri Pigeat, AFP president-director general, was present on the occasion. AFP is host of a XINHUA delegation led by Zeng Tao, which arrived here on October 19 for a visit.

Zeng Tao and his delegation were received yesterday by Louis Mermaz, president of the French National Assembly. Louis Mermaz told Zeng Tao that he would lead a National Assembly delegation to visit China at the end of next January. The visit would further enhance the friendship between the two countries, he hoped.

Alain Poher, president of the French Senate, this morning met with the Chinese delegation and gave a reception in their honour.

Robert Laucournet, president of the France-China Friendship Group of the Senate, gave a lunch for the delegation at noon today.

Earlier on October 26, the delegation was feted by Jacques Chirac, mayor of Paris.

Chinese Ambassador Yao Guang was present on all the occasions.

ITALY'S JOTTI MEETS WOMEN'S DELEGATION

OW240944 Beijing XINHUA in English 0807 GMT 24 Oct 81

[Text] Rome, October 23 (XINHUA) -- The president of the Italian Chamber of Deputies, Leonilde Jotti, today met with a Chinese women delegation headed by Zhang Jiexun, secretary of the secretariat of the All-China Women's Union. During the meeting Jotti told the delegation that their visit would contribute to the economic and cultural exchange between the two countries.

Recalling her visit to China last September, Jotti said that she was deeply impressed by Chinese women's indomitable will and their devotion to work. She went on to say that the exchange of experience between women of the two countries would benefit Sino-Italian cooperation.

The head of the Chinese women delegation, Zhang Jiexun, said that their visit gave them a good chance to learn from Italian women and would contribute to closer relations of friendship and cooperation between the women of the two countries. The Chinese women delegation arrived in Rome yesterday for a friendly visit to Italy as guest of the Italian women employers' association.

BELGIAN CULTURAL EXHIBIT OPENS IN BEIJING

OW241300 Beijing XINHUA in English 1226 GMT 24 Oct 81

[Text] Beijing, October 24 (XINHUA) -- An exhibition of 200 ancient European engravings collected by Liege University of Belgium opened at the Beijing exhibition center here this morning. The occasion marks the 10th anniversary of the establishment of diplomatic relations between China and Belgium.

The works on display include copperplate engravings, woodcuts, and etchings by 36 famous artists including Jerome Bosch, Albrecht Durer, Rembrandt van Rijn, Pierre Bruegel Lancien, and Albrecht Altdorfer. They lived between 15th century and 18th century.

Zhou Erfu, vice-minister of the Commission for Cultural Relations With Foreign Countries, said at the opening ceremony: "We are very pleased to note that the cultural exchanges, friendly relations and cooperation between China and Belgium have developed constantly in the past ten years on the basis of mutual respect for sovereignty and mutual benefit."

He expressed the belief that this exhibition will promote more Sino-Belgian cultural exchanges.

Belgian Ambassador to China Roger Denorme said: "Art is a good form for friendly exchanges between nations. I am very pleased we are using this kind of activity to celebrate the 10th anniversary of the establishment of diplomatic relations between China and Belgium."

Present at the opening ceremony were 400 people including Zhang Canming, vice-minister of foreign affairs; Wu Xue, vice-minister of culture; Lin Lin, vice-president of the Chinese People's Association for Friendship With Foreign Countries, and noted Chinese painters Wu Zuoren and Gu Yuan.

After the opening ceremony, the ambassador gave a reception in honor of the 10th anniversary and the exhibition.

After a two-week run in Beijing, the exhibition will move to Shenyang and Harbin.

XIE LI DEPARTS TURKEY FOR LUXEMBOURG 28 OCT

OW281234 Beijing XINHUA in English 1219 GMT 28 Oct 81

[Text] Ankara, October 28 (XINHUA) -- Secretary General of the Chinese Foreign Affairs Institute Xie Li left Istanbul for Luxembourg today following his 10-day visit to Turkey.

During his stay in Ankara, Xie Li held talks with Turkish Deputy Secretary General of Foreign Ministry (Oktay Cankardes) and Director of Foreign Policy Institute (Seyfi Tashan) on international problems. They stressed the need to develop the relations between China and Turkey.

Xie Li also visited some historical sites in Ankara, Izmir and Istanbul.

XINHUA EXAMINES TURKEY'S STEPS TOWARD DEMOCRACY

OW280922 Beijing XINHUA in English 0737 GMT 28 Oct 81

["Roundup by Correspondent Liu Kaichen: Constituent Assembly Established in Turkey" -- XINHUA headline]

[Text] Ankara, October 26 (XINHUA) -- A constituent assembly was established in Turkey on October 23. It is the first step towards the return to Western parliamentary democracy system by the Turkish military regime.

The constituent assembly is composed of the 160-member Consultative Assembly as the lower house, and the ruling five-member National Security Council (NSC) as the upper house.

Now, the constituent assembly is busy working to speed up the process of a return to parliament democracy. In one month, the Consultative Assembly will set up a fifteen-member constitutional commission to draft the new constitution. After this, the draft constitution will be submitted to the Consultative Assembly for debate, and then to the NSC for a restudy. The new constitution will be submitted to a nation-wide referendum by summer next year. Once the constitution is approved by the people, the constituent assembly will prepare the new parties law and new election act in a similar procedure. New parties will emerge. A general election will be held for a new parliament in autumn 1983, from which a civilian government will emerge.

The establishment of the constituent assembly was promoted by interior and exterior factors. Head of state and Chairman of NSC General Kenan Evren announced recently, "we will hand over the administration to an elected parliament and government, because all my commander friends and I are well aware of the fact that the military cannot govern this country indefinitely. Our experience of history shows us the drawbacks of such an attempt." He added, "we are implementing our programme step by step in full accordance with our promises."

At home, the Turkish people cherish democracy. They widely support the military administration, seeing that internal security has been basically restored and the economic situation has improved greatly in the past 13 months. However in the long run, the Turkish people prefer a democratic civilian regime.

Abroad, the West countries -- Turkey's NATO allies -- have asked the Turkish military regime to restore parliamentary democracy. The U.S. Government and the governments of many West European countries have expressed their understanding and support for the military takeover in Turkey on September 12 last year, because the military regime has reestablished political stability at home and has been more loyal to NATO. But they have also expressed their hope for the restoration of parliamentary democracy in Turkey.

Some European organizations such as "the Consulting Assembly of the Council of Europe," and "the European Parliament of the European Economic Community" as well as some Western European countries have even exerted political and economic pressures on the Turkish military regime to restore parliamentary democracy. A prominent example is: "the European Economic Community is blocking (freezing) the conclusion of a 650 million dollar financial aid package in the next five years scheduled to start on November 1 this year for Turkey until the military government in Ankara returns the country to democratic rule," according to a recent announcement of an EEC commission spokesman.

The founder of the Turkish Republic Mustafa Kemal had advocated multi-party parliamentary rule in Turkey, like in Western countries. So he established the "Grand National Assembly" comprising of the National Assembly as the lower house and the Republic Senate as the upper house, even in the period of the war of independence.

In the history of the Turkish Republic, the first constituent assembly was established in 1961 by the then military regime, but it could not prevent the chaotic situation later. The current constituent assembly is the second one, by which the military administration is determined to establish "genuine parliamentary democracy in such a way that the country will not be compelled to face the same situation again" as General Kenan Evren said recently. The people here are deeply and closely concerned about this new experience.



XINHUA ON U.S. ATTITUDE TOWARD PALESTINIAN ISSUE

OW281252 Beijing XINHUA in English 1230 GMT 28 Oct 81

["Commentary: Face Reality and Move Forward -- By Correspondent Rui Yingjie" -- XINHUA headline]

[Text] Beijing, October 28, (XINHUA) -- U.S. President Ronald Reagan said in a press interview published in Beirut on October 25 that his administration and the Palestine Liberation Organization may enter into dialogue with the help of Saudi Arabia. But he hastened to qualify his statement by demanding that the PLO recognize Israel's right to exist before any talks with the United States could start.

The President's remarks look like the latest exposition of the U.S. policy towards Palestine.

In the last two weeks, there were reports emanating from American sources, both official and private, that a shift in U.S. policy was in the offing. According to an Israeli radio report, Secretary of State Alexander Haig indicated on October 20 that the U.S. Government would switch the priority of its Middle East policy from an alliance against the Soviet Union to the Palestine problem.

Zbigniew Brzezinski, former national security adviser to the U.S. president, told a Kuwaiti newspaper on October 25 that he believed that the Palestinian people's legitimate rights may be secured through "gradual reconciliation between the Arabs and Israel."

Former U.S. Presidents Gerald Ford and Jimmy Carter in a joint statement on October 11 declared that they believed the United States should recognize the PLO.

Another ex-president, Richard Nixon, said in Morocco on October 17 that once the Camp David accords proved ineffectual, the United States should enter into dialogue, direct or indirect, with the PLO.

This is perhaps a signal of some more realistic thinking in the American official circles with relation to the crux of the Middle East issue -- the problem of Palestine.

The Reagan administration has until recently simply ignored the Palestine problem. But developments in the last nine months have testified to the impracticability of a strategy to contain Soviet expansion in the Middle East, which overlooks or glosses over the Palestine question.

It is true that the Soviet thrust southward endangers the interest of the West as well as threatens the independence and sovereignty of the Arab nations. In fact, the Soviet invasion of Afghanistan has alerted the Arabs to the unrelenting push of the Soviets toward their oilfields. Nevertheless, the Arabs contended that they are facing an even more realistic threat -- the threat of Israeli aggression.

While seeking "strategic consensus" with the Arabs to check the Soviet drive, the United States sticks by its support for Israel. It even reached agreement with Menahem Begin for "strategic cooperation," something the Arab people can hardly swallow.

The Arab countries have long urged the United States to change its Middle East policy. They pointed out that it was precisely the U.S. support for Israel which had offered the Kremlin opportunities for penetration and that the best way of preventing further Soviet infiltration is for the United States to take a more or less unbiased stand toward the Arab-Israel conflict. So far, they are disgruntled by Washington's indifference to their voices.

Now, with the untimely departure of President Anwar as-Sadat and the renewed Soviet attempt to stage a comeback, Washington begins to feel the gravity of the situation and to see the need for a change in the order of priority by giving precedence to the Palestine question. If this is really the case, it is certainly a heartening development.

However, it is one thing to alter the order of priority and another to adopt a constructive approach to the Palestine problem. In this, Reagan and Haig are still rather hesitant. It is illogical, to say the least, for Reagan to demand PLO's recognition of Israel's right to exist as a pre-condition for U.S. dialogue with the PLO. It is tantamount to asking one to recognise the right to exist of another who has denied him the same right. It shows that the U.S. authorities have not made up its mind to jump out of the quagmire of their own partiality to Israel. Haig's statement about giving precedence to the Palestine problem is rather vague. It was disclosed that the emphasis of his statement was laid on making Israel take some "positive actions" in the Palestine autonomy negotiations among the United States, Egypt and Israel so as to achieve the "needed" progress. It is known to all that the negotiations were a matter among the United States, Egypt and Israel and have nothing to do with the Palestine Liberation Organization. The negotiations have not touched upon Israel's withdrawal of all its occupied Arab lands and the national rights demanded by the Palestinian people. What they wanted was not "self-rule" but self-determination.

When putting forward the eight-point proposal on the Middle East problem last August, Saudi Crown Prince Fahd pointed out that the differences between the Arabs and successive U.S. administrations lay in the issue of Palestinian people's rights. He emphasized that the problem has a vital bearing on the security and stability of the Middle East as well as on the interest of the United States. Jordan's King Husayn has also pointed out that the Palestine problem constituted the sole obstacle laid between the Arabs and the United States.

The United States has probably discovered the importance of the problem but it has still been hesitant on it. People are closely watching whether or not the U.S. authorities can free themselves from the complicated factor and march forward in a big stride.

#### CHEN MUHUA MEETS WITH JORDANIAN MINISTERS

OW281528 Beijing XINHUA in English 1503 GMT 28 Oct 81

[Text] Beijing, October 28 (XINHUA) -- Chen Muhua, vice-premier and minister of economic relations with foreign countries, met here today with Jordan's 'Awni al-Masri, minister of public works, and Jawad al-'Anani, minister of labour.

They expressed satisfaction with the development of relations in the political, trade, economic and technical spheres.

Chen Muhua hoped China and Jordan would strengthen contacts and understanding and promote friendship and cooperation between the two countries.

Among those attending the meeting were Chen Shaozhong, vice-minister of the Third Ministry of Machine Building, Lian Tianjun, vice-minister of economic relations with foreign countries, and Kamal al-Hamud, Jordanian ambassador to China.

The Jordanian ministers arrived October 26 to discuss Sino-Jordanian economic and technical cooperation.



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TOGO PRESIDENT COMMENTS ON CHINA TRIP

OW211820 Beijing XINHUA in English 1632 GMT 21 Oct 81

[Text] Lome, October 21 (XINHUA) -- Togolese President Gnassingbe Eyadema said today during his meeting with Shi Lin, Chinese vice minister for foreign economic relations, that his recent trip to China was satisfying and successful.

"Since my first visit to China in 1974, the Chinese people have made great progress in building up their country," Eyadema said. "I am especially interested in China's agriculture. Its techniques, irrigation for instance, are very effective and are examples for us."

Xia Xiufeng, charged'affaires ad interim of the Chinese Embassy in Togo, also attended the meeting.

PLA'S YANG DEZHI MEETS ECUADOREAN DELEGATION

OW281612 Beijing XINHUA in English 1532 GMT 28 Oct 81

[Text] Beijing, October 28 (XINHUA) -- Yang Dezhi, chief of General Staff of the Chinese People's Liberation Army, met here today with a delegation from the high studies national institute of Ecuador led by president of the institute Lieutenant General Carlos Aguirre.

During the conversation, Yang said that an important delegation of 48 members was sent here only a year after the establishment of diplomatic relations between the two countries. "The current visit of the delegations will surely promote the development of the friendly relations between the governments, the peoples and armies of the two countries," he said.

Present at the meeting were Yang Zhen, vice-president of the Military Academy of the P.L.A., and Gonzalo Paredes Crespo, Ecuadorian ambassador to China.

The delegation will leave here tomorrow for visits to other parts of China before returning home.

GU MU MEETS GUATEMALAN ECONOMY MINISTER

OW281758 Beijing XINHUA in English 1638 GMT 28 Oct 81

[Text] Beijing, October 28 (XINHUA) -- Chinese Vice-Premier Gu Mu met at the Great Hall of the People here this evening with Valentin Solorzano Fernandez and Gilberto Isaías Corzo, Guatemalan minister and vice-minister of economy.

Minister Solorzano is the first member of the Guatemalan cabinet to visit China. Vice-Premier Gu extended a warm welcome to him for accepting China's invitation to discuss matters related to Sino-Guatemalan trade and to pay a friendly visit. The vice-premier said that China and Guatemala have not established diplomatic relations yet, therefore, the two countries should maintain and increase contacts in order to promote mutual understanding. "We still may develop our friendly relations in various fields in every possible way," he said.

Minister Solorzano said that his current visit to China has been fruitful. Through the visit, he said, he has been touched by the willingness of the [words indistinct] to enhance friendly relations and cooperation with Guatemala and other Latin American countries. He himself pledged that he would make efforts to promote Sino-Guatemalan relations.

Minister Solorzano and his party will leave here for Guangzhou to visit the export commodities fair there before going home.

VENEZUELAN PRESIDENT HONORED AT SHANGHAI BANQUET

OW281808 Beijing XINHUA in English 1646 GMT 28 Oct 81

[Text] Shanghai, October 28 (XINHUA) -- A banquet was given here at noon today by the Shanghai municipal people's government in honor of the visiting Venezuelan President Luis Herrera Campins, Mrs. Herrera and their party. Vice-Premier Ji Pengfei and his wife Xu Hanbing were present.

In his toast, President Herrera said that he was honored to be the first Venezuelan president to visit China. "The relations between Venezuela and China have become closer and are developing even more extensively," he said. He said that the talks between him and Chinese leaders in a few days would further the friendly sentiments between the peoples of the two countries. Herrera said that he was aware of Chinese Premier Zhao Ziyang's stand to strengthen unity with the Third World countries and to seek all-round talks within the United Nations for the establishment of an international economic order. Premier Zhao's views were expressed recently at the international meeting on cooperation and development in Cancun, Mexico.

He also said that the talks to be held by leaders of the two countries will strengthen "the struggle against any forms of colonialism and bloc policies which carve out spheres of influence and hence hamper the development of the people of various countries and jeopardize world peace."

Proposing a toast at the banquet, Han Zheyi, vice-mayor of Shanghai, said, "President Herrera's visit is an important event in the history of friendship between China and Venezuela. The visit will bring to a new stage friendly relations and cooperation between the two governments and two peoples."

Present at the banquet were Wang Jian, vice-mayor of Shanghai; Di Jingxiang, vice-chairman of the Standing Committee of the Shanghai Municipal People's Congress; Jing Renqiu, vice-chairman of the municipal committee of the Chinese People's Political Consultative Conference, and Shen Peihua, commander of the units stationed in Shanghai of the South China Sea fleet of the Navy of the Chinese People's Liberation Army.

Regulo Burelli Rivas, Venezuelan ambassador to China, and his wife Olga de Burelli also were present.

This morning, President Herrera visited the Jiangnan shipyard and the Shanghai No 1 petroleum machinery plant. Mrs. Herrera visited a primary school.

IDEOLOGICAL WORK IN CONSTRUCTION ENTERPRISES

HK280810 Beijing RENMIN RIBAO in Chinese 21 Oct 81 p 2

[Commentator's article: "Strengthen Political and Ideological Work in Construction Enterprises"]

[Text] By implementing the line of the 3d Plenary Session of the 11th CCP Central Committee and clearing away the influence of leftist mistakes, capital construction enterprises in charge of construction work throughout the country have produced tangible results in recent years. The young people's construction teams of the Handang municipal No 2 construction company, the No 24 company of the Second Ministry of Machine Building and the Jinan municipal No 2 construction company are all advanced units which have emerged in recent years. The party committee, administration, trade unions and Communist Youth League have all paid special attention to political and ideological work in these units. They have succeeded in carrying out political and ideological work in production, management, innovation, tapping of latent potential, cultural and technological study, distribution according to work and in the emulation drive, and have closely integrated political work with economic work. However, we should see that the phenomenon of poor political and ideological work, weak and lax leadership and irregular management style still exists in some of the enterprises in charge of construction work. For example, some of them have taken advantage of undertaking the task of just "eat, take, block and make demands." Some have made overestimations and miscalculations of the projects contracted for and practiced deception and fraud. Some have been irresponsible in their work. The houses they have constructed are of inferior quality and cause a great deal of inconvenience to the consumers. The leading comrades of the CCP Central Committee have also frequently criticized this. We should pay great attention to this matter.

At present, the situation facing us is very good. The new situation has presented many new problems which require us to carry out thoroughgoing study. Some of the enterprises and units have already discovered some good methods of making a success of political and ideological work. The main reason is, they have shifted from taking class struggle as the key link to placing the emphasis on production and shifted from carrying out political campaigns to routine political and ideological work. Moreover, they have maintained integrating political and ideological work with material incentives and with solving actual problems in life and have not gone in for armchair politics and double dealing. The political work cadres show concern for and understand production, and the production management cadres also do political and ideological work.

Some of the enterprises in charge of construction have no discipline and have very low efficiency. The loss of building materials is serious and the waste is appalling. Some of the comrades have put the blame on the principle of material interests and on the bonus system. This viewpoint is wrong. The fact that some of the enterprises have no discipline and certain erroneous ideas have been formed among the workers is precisely because we have not effectively developed political and ideological work to keep abreast of the new situation. Because of the lack of investigation and study of the ideological condition of the workers after the implementation of the responsibility system, the leading cadres of some of the enterprises have not paid enough attention to some of the problems which have cropped up. Therefore, political and ideological work has become detached from the solving of actual problems and the leading members have appeared weak and incompetent.

Strengthening political and ideological work and the consciousness of the masses are important components in the building of spiritual civilization as well as an indispensable condition in the building of material civilization. At present, the weak and lax condition on the ideological front exists also in economic work and that includes the capital construction industry. Party and government leaders in enterprises must put strengthening political and ideological work on their agenda for discussion and be brave and adept in grasping this work well.



Good people must be praised publicly and fine deeds must be advocated. They must not be afraid to justly and forcefully conduct serious criticism against all erroneous ideas and unhealthy tendencies and wage an appropriate struggle against them. They must carry out investigation and study, ascertain the actual conditions and seek truth from facts. They must solve problems one by one and must not be perfunctory in their work or take across-the-board measures. They should patiently solve problems of ideology and understanding and must not resort to pressure or force. Actions in violation of law and discipline must be strictly dealt with according to the law. They must distinguish between right and wrong and duly mete out rewards and punishments. Only in this way can they encourage healthy trends and combat unhealthy ones.

Making the workers show concern for their own achievements by appealing to their material interests is an important principle. In order to strengthen political and ideological work, we must at the same time pay attention to material interests; we must make a success of political and ideological work and pay attention to spiritual culture, arduous struggle and work style. Only in this way can we fully arouse the enthusiasm of the masses of workers, and moreover, make that enthusiasm stable and enduring. The basic standpoint of our party in carrying out socialist construction is to rely on the masses and bring their enthusiasm into play. By acknowledging the material interests of the masses, strengthening political and ideological work and further arousing the enthusiasm of the enterprises and workers, there will be a better development in our construction undertakings.

#### ARTICLE ON INVESTMENTS, ECONOMIC GROWTH

HK290320 Beijing RENMIN RIBAO in Chinese 19 Oct 81 p 5

[Article by Li Yining [0632 0110 1380]: "Increase Investments Rationally and Achieve Stable Economic Growth"]

[Text] Given fixed returns on investments, the rate of economic growth is determined by the rate of investment. When investments are increased, the demand for currency, means of production and consumer goods will also proportionally increase. Therefore, in the process of the economic growth of capitalism, inflation, as a result of the increase of investments, is regarded as unavoidable. However, if investments are not increased, it will be impossible to ensure economic growth and solve the problem of unemployment inherent in capitalist society. Therefore, this situation is regarded by some bourgeois economists as a difficult problem which occurs in the process of economic growth.

The superiority of the socialist economic system enables us to ensure basic economic growth based on stable goods prices. The fact that our macro and micro production aims are identical will enable us to make an overall plan for investments. The key lies in how we should make our investments. If we take into consideration and adopt relevant measures with regard to the source of capital, investment conditions and macroeconomic results of investment, we can avoid inflation even if we increase investments.

#### Financial Allocation Is Not the Only Source of Investment Funds

When talking about the increase of investments, some comrades usually link it with financial allocations by the state. It seems as if financial expenditure is the only feasible plan for an increase of investments. Actually, at the present stage, there are at least four internal sources of investment funds. Of these sources, financial allocation by the state is not always a primary one. The other three sources are: bank credits, money raised from the society and funds reserved by enterprises.

Bank credits include short-term, intermediate-term and long-term credits which can be used in different investments. The advantage of bank credits is that they may induce investing units to pay more attention to economic accounting and the returns on the investments. In the meantime, the more work which is done on utilizing bank credits, the higher the economic results which the banks themselves will achieve. Thus, while extending banks credits, the banks should think of ways to increase the amount of deposits and ways to rationally use these deposits absorbed by them by utilizing interest rate as a lever.

Money raised from the society means money raised through savings and issuing bonds in the society. Apart from that, it also includes funds raised by the masses to set up cooperative enterprises, funds collected by people from all walks of life to develop construction within the country and investments made by individual producers to expand their own businesses. These three ways of raising money actually play the role of replacing investments made by the state. In other words, some investment projects which were previously carried out with the state's financial allocation are now being carried out by using funds raised from the society. In addition, if investment projects carried out by the latter means rely on capital goods supplied by the state's supply departments, this is also a way of withdrawing currency from circulation.

Funds reserved by enterprises mainly refers to the profits retained, in accordance with the principle of decisionmaking power by the relevant enterprises. According to their production needs, enterprises may use these funds to purchase additional equipment, carry out technical reform, expand production and increase production output. Enterprises can also use these funds to set up affiliated plants.

There is a great potential for obtaining more funds for investments through bank credits, raising money from the society and funds reserved by enterprises. If we pay attention to these sources of funds and tap their potential, we can retain the former investment rate even if the amount of financial allocation is reduced. In addition, we can adopt other related and comprehensive methods to raise funds. For instance, some production units whose product supply falls short of demand may adopt the method of "receiving credit in advance." In other words, the relevant enterprises may receive payment for goods in advance from the consumers (or through banks as an intermediary), and these payments can be used as investment funds for expanding production and ensuring prompt delivery of goods. We should recognize that this is also a method of raising funds from the society, which likewise plays the role of withdrawing currency from circulation.

#### Necessary Conditions for Investment

When we increase investment, very often economic activities will be stimulated. This is because the increase in investment will boost income or output value and the rise in income output value will further promote the increase in investment. When this cycle goes into effect, economic growth will be expedited. Here, investment has played the role of an important motive force. This is the reason why an increase in investment will enliven the economy.

However, it does not mean that investment will be beneficial to the national economy in all circumstances. For an increase in investment to promote growth of the national economy, four conditions are generally required:

First, there should be sufficient means of production which can be utilized. Here, means of production include equipment, raw and processed materials, fuel, energy and means of transportation. If there are idle means of production in objective reality, or even if there is not a considerable amount of idle means of production, but there promptly will be once slight adjustments are made, investments can be made. Otherwise, investment will not result in productive capacity. Of course, if we have sufficient foreign exchange reserve, we can buy means of production from the world market. However, this involves the problem of foreign trade balance and the balance between income and expenditure in international trade.

Second, there should be sufficient labor force which can be utilized. Here, the so-called labor force should include technical and management personnel. Otherwise, investment will not result in productive capacity.

Third, products produced by the increase in investment and the expansion of production should meet the demands of the market. In other words, these products should be marketable. If production is carried out merely for the purpose of fulfilling certain production targets or output value quotas, the products we produce will only be stored in warehouses. In these circumstances, the increase in investment will not play the role of actively promoting the growth of the national economy.

Fourth, the final goal of the increase in investment should be profits. The concept of "recovery period of investment" should not be neglected. If the products we produce can only be sold at prices lower than production costs, this kind of investment will not be able to play the role of enlivening the economy and promoting economic growth.

#### We Should Measure the Macroeconomic Results of Investment

The national economy is an entirety. Certain trades or enterprises in our economic circles probably do not possess the fourth condition (profit-making condition). Should investments be made by them? This involves the problem of macroeconomic results of investments. Although certain trades or enterprises are not profit-making concerns even after their reconstruction, expansion and reorganization, seen from the angle of a comprehensive balance in the national economy, additional investments should be made, provided that they will increase the incomes of other trades or enterprises.

However, macroeconomic results may possibly be used by some people as a pretext to speak in defense of investment projects which are actually not beneficial to economic growth. They might insist that these projects should not be suspended, as their suspension would indicate a lack of consideration of macroeconomic results. Therefore, to make our investments beneficial to economic growth, we should not only recognize the significance of macroeconomic results but also adopt specific methods for evaluating macroeconomic results of investments.

Within the realm of material production, macroeconomic results can be evaluated through departmental interrelationships. If the products produced by department A are needed by departments B, C and D and the products manufactured by departments B, C and D are needed by departments E, F, G and H, the results of additional investments in department A can be reflected not only in the increase of income of department A but also by the increase in incomes of departments B, C, D, E, F, G and H. Through evaluation we can at least compare the effectiveness of the investments. First, we calculate the total incomes or net incomes of various departments before additional investments are made in department A. Second, we calculate the total incomes (or net incomes) of various departments after additional investments have been made in department A. After that, we compare the differences between the first and second total incomes (or net incomes) with the amount of additional investments. Hence the macroeconomic results of the investments can be evaluated. Of course, our actual calculation is more complicated. However, by using this simple method (the so-called "contrary fact tolerance method") [fan shi shi du liang fa [0646 0057 1395 1653 6852 3127]], we can also evaluate the macroeconomic results of certain investments. If such investments are not profit-making, but they will considerably increase the incomes (or net incomes) of various departments, these investments are beneficial to the national economy. If we do not thus evaluate the projects, some investments made under the pretext of achieving macroeconomic results will actually be unprofitable.

The first three conditions of the above-mentioned four investment conditions are important and indispensable to all investment projects. They are of micro and macroeconomic significance.

#### Exclusive Reduction of Investment Will Never Prevent Inflation

In the final analysis, the reason why inflation occurs is that the growth rate of total production of the society lags far behind that of currency circulation.



A considerable increase of currency circulation is mainly due to financial deficits or the expansion of bank credits. Therefore, we cannot simply attribute inflation to the growth of investments. Only those investments which are slow in giving rise to productive capacity, produce unmarketable products, or result in enormous business losses in spite of marketable products are responsible for financial deficits and credit expansion. Financially speaking, inflation means that expenditure exceeds income. In regard to the banks concerned, it means extension of loans exceeds withdrawal of currency from circulation; in regard to investing units, it means that expenditure exceeds income.

Financial deficits can be avoided. However, if a financial deficit has objectively arisen, can we solely use the method of reducing investments to eliminate the deficit? The problem is not as simple as that. The only lesson which we can draw is: We should reduce those investments which do not enjoy the above-mentioned conditions. However, this does not mean that we should stop investments which can rapidly create productive capacity and produce good economic results. If we do so, we will negate the role of investment as a primary driving force which enlivens the economy.

Various economic departments are organically interrelated. Only by constantly readjusting product structures can we always keep the balance of the proportional relationships in the national economy. However, in most circumstances, we should make additional investments to readjust product structures. If we solely adopt the method of reducing investments to avoid inflation, we are liable to cause an imbalance in the proportional relationships in the economy, or turn some trades or enterprises, which formerly were profitable, into loss-making ones. This method will not be beneficial to curbing inflation.

The main reason for inflation is that the growth rate of the total production of the society is lower than the growth rate of currency circulation. We can overcome inflation by either lowering the growth rate of currency circulation or increasing the growth rate of total production of the society. However, if we fail to proceed from the overall interests of the national economy or fail to specifically analyze the economic results of investments in each project, we will not be able to attain the predetermined goals. We adopt the method of reducing investments merely to slow down currency circulation. On the other hand, if conditions exist, we increase investments and total production of the society, in the light of the actual situation, to enliven the economy. As a result, we are able to truly and effectively prevent inflation. The reasons are clear: beneficial investments will boost total incomes (or net incomes) and the increase in total incomes (or net incomes) will lead to a rise in revenue. In other words, an active and prosperous national economy is a solid foundation for our finances.

#### IMPORTANCE OF ENTERPRISE CONSOLIDATION

HK280750 Beijing RENMIN RIBAO in Chinese 12 Oct 81 p 5

[Article by Su Lian [4725 5114] and Shi Rong [0670 2837]: "Carry Out Enterprise Consolidation in a Down-to-Earth Manner -- capitalized passage published in boldface]

[Text] Since the 3d Plenary Session of the 11th CCP Central Committee, the people of the whole country have assiduously studied how to find a new road of economic construction, geared to the conditions of our country, in order to stimulate the healthy development of the cause of modernization. The new road of economic development covers an unusually wide range of activities, one basic point being how to give full play to the role of enterprises. In the light of current economic conditions, the proper consolidation of enterprises is an indispensable link in efforts to properly develop the role of enterprises.



Since the smashing of the "gang of four" and especially since the third plenary session of the CCP Central Committee, while seeking to turn chaos into order on the economic front, various areas and departments have achieved some results in consolidating enterprises and stimulating the revival and development of the national economy. But it should be noted that the task of enterprise consolidation is far from being completed. Some of our comrades still lack an adequate understanding of the urgency and necessity of consolidating enterprises. The realities of economic life demand that for some time to come we must put enterprise consolidation in an important position and carry out in an overall manner the guidelines of readjusting, restructuring, reorganizing and upgrading.

At present, many enterprises are still poorly managed and are in a rather chaotic state. First, labor discipline is relaxed. The attendance rate is low. Those who show up for work fail to do their best. There exists quite a serious situation of everyone passing the buck -- a situation in which either regulations are defied or no regulations exist to be followed. Second, there is a serious waste of materials. Where fixed quotas, calculations and statistics are concerned basic work is done very poorly. There is no system for taking delivery of materials. No limits are set on consumption. Machinery and equipment are not properly taken care of or maintained. Third, no operational rules exist. Products are not inspected, and thus there are many rejects and quality is poor. Fourth, there is a serious waste of money. Costs are not calculated and there is no budget for expenditure. That which should be handed over to the state as profits or taxes is freely withheld and appropriated. Public money is used for private purposes. That which belongs to a large group is appropriated as the property of a small group. Fifth, there is an unhealthy trend which poses a serious problem. Some people even accept bribes and engage in speculation and profiteering. In these circumstances, enterprises cannot handle production well to meet social needs under the guidance of state plans, nor can they really improve their management or their economic effect. There are of course many factors responsible for our current financial and economic difficulties. But some important reasons are chaotic enterprise management, high costs, great waste and poor economic effect. After visiting many of our enterprises, foreign friends generally say that some of our undertakings do not lack technical equipment or materials. But they say that there is a great waste and the efficiency is low. If we improve management, double the current results can be achieved. It should be said that this view is compatible with actual conditions. Consolidating enterprises is an effective way to tap the potential of enterprises, improve the economic effect, raise income and reduce financial difficulties.

Another reason why the consolidation of enterprises is important is that in the 10 years of turmoil, the perverted course pursued by Lin Biao and the "gang of four" seriously disrupted enterprise management. They not only upset the normal order of production and flouted various rules and regulations but spread various fallacies. They claimed that management was the equivalent of "control, strangulation and suppression" and "capitalism and revisionism." They advocated the establishment of enterprises free from rules and regulations. They basically negated the importance of enterprise management, creating confusion in people's minds and confusing right and wrong. Over the past few years, we have criticized the fallacies of Lin Biao and the "gang of four" and have gradually clarified things, ideologically and theoretically, about the chaos created by them. We have corrected the right and wrong which they had reversed. But to achieve the aim of fully upholding correct ideas and theories in the practice of enterprise management involves a long process. It needs a lot of work. For the above reasons, our current enterprise consolidation effort, compared with that in the early sixties, is a more complicated and arduous job. This is an important feature of the current consolidation effort. For a while, we did not fully appreciate the arduousness of this task. We more or less relaxed the consolidation of enterprises. Now we should consciously give more of our strength and exert greater efforts to do a good job of consolidation. We must overcome all kinds of chaos existing in enterprises.

It should also be noted that a large number of new cadres and new workers have been added to our enterprises. They represent the new blood in the ranks of the workers. They are seized with a compelling desire to handle production well, to revitalize the economy and to improve their standard of living. But they lack knowledge and experience in enterprise management. They are not in the habit of following the strict discipline that socialist mass production demands and lack the required production know-how and operational skills. Such a situation adds to the importance and difficulty of the consolidation of enterprises.

The feeling of the importance of enterprise consolidation at present also lies in the ever more exacting demands that the reform of the economic management system has imposed on enterprise management. Basing the reform of the economic system on the demand for the development of productivity is a prerequisite for economic construction following a new path. The current reform of the economic management system began with an increase in enterprise autonomy. With the gradual development of the reform and the enlargement of enterprise autonomy, enterprises have had increased responsibilities. This calls for a still higher operational or management level on the part of enterprises. To meet the demands of the state plan and the needs of the market, they must better organize production, supply and sales and improve the economic effect. It is clear that if enterprises are unsound organizationally, their system imperfect, their observance of discipline less than strict, their sense of responsibility unclear and chaos of all kinds marks their activities, they can hardly, under these conditions, carry out their proper functions and accomplish the assignments that they should complete.

Some people hold that so long as enterprise autonomy is enlarged, we can find a way of stimulating proper management. Consolidation, in their opinion, is not that important and is even inconsequential. We think that this view must be corrected. To reform the economic management system and closely link up an enterprise's rights, its responsibilities and its profits is undoubtedly of extremely great significance in stimulating efforts toward better administration, strengthened management and increased efficiency. But this does not mean that a reform can replace consolidation or that consolidation is a matter of no consequence. First, we cannot hold the view that with the enlargement of autonomy, an enterprises's management level will be automatically raised. Even if an enterprise has the internal strength required to improve its operations and management, it must undertake a series of arduous tasks, including enterprise consolidation, before it can really raise its operation or management level. We should get rid of the erroneous idea that economic measures can be used to solve all problems in improving operations and management. In fact, even in capitalist countries, necessary administrative measures cannot be done away with in improving the operational or management level of an enterprise. As far as the socialist economy is concerned, scientific and effective administrative measures are especially indispensable in improving enterprise operations and management and enabling an enterprise to advance in the socialist direction. Second, given the limitations of objective economic conditions, pricing and other important economic levers cannot for some time to come fully assert their role, nor can the market mechanism guarantee that an enterprises's operational activities will definitely conform to the demands of the state plan and the interests of the whole society. Under these circumstances, it is all the more necessary to adopt the method of combining economic and administrative means to consolidate enterprises. Otherwise, an enterprise cannot really raise its operational or management level and do a good job. Instead, it is likely to follow unorthodox means to serve its own interests and will deviate from the socialist direction. Third, only by properly consolidating itself and establishing and perfecting this scientific management system can an enterprise establish a strict economic responsibility system between the state and itself and between itself and its workers. And only in this way can the necessary conditions be created for properly combining in line with socialist principles the interests of the state, those of an enterprise and those of workers. We are speaking in this sense when we say that enterprise consolidation is the basis for the smooth progress of the reform of the economic management system.

Fourth, a reform is carried out gradually. Some reform measures at present can hardly be put into practice. But the necessary consolidation can and should now be carried out. For example, building up connections to serve private ends and other unhealthy trends and running afoul of financial rules and regulations and discipline are problems that should be given attention and solved at all times. But given the different concrete conditions of various enterprises and the different problems confronting them, that which requires consolidation and the points of emphasis also vary. In carrying out consolidation, we should provide guidance for different categories of enterprises and tackle one enterprise after another. We should first handle well several thousand priority and backbone enterprises. Thus, we can not only stabilize the whole situation but also gain experience.

MUCH HAS TO BE DONE IN ENTERPRISE CONSOLIDATION. WE HOLD THAT AT PRESENT THE MOST IMPORTANT THING IS TO PROPERLY PERFORM THE FOLLOWING TASKS:

1. WE MUST ESTABLISH AND PERFECT AN ECONOMIC RESPONSIBILITY SYSTEM. This is of unusually great importance in solving the problems of "eating out of the same pot" and seeking egalitarianism -- a problem that has long existed. Judging by the experiences in many areas, the introduction of economic responsibility systems has enabled us to correctly handle the relationship between the state and enterprises and also the relationship between enterprises and workers, thus linking up rights, responsibilities and benefits on the part of workers and enterprises and relatively fully arousing and developing the initiative and enthusiasm of enterprises and workers in improving operations and management. In the process of introducing an economic responsibility system, we must take into full consideration the features of ownership by the whole people and socialized mass production, and adopt varied patterns geared to local needs. We must pay attention to treating properly the relationship between the state, the collective and workers and caring for the interests of the three parties simultaneously. Concretely speaking, we must first solve properly the problems of assignments that an enterprise undertakes for the state and the measures involved. Second, we must adopt reasonable advanced quotas. Third, we must guarantee that the quality of products will improve and not deteriorate. Fourth, we must guarantee that the costs of production will continuously drop. Fifth, we must treat properly the relationship between the development of production and the improvement of the standard of living and the relationship between accumulation and consumption. In order to introduce a scientific economic responsibility system, an enterprise must strengthen fundamental work involving fixed quotas, calculations, statistics, and so forth, improve the leadership system and pay proper attention to democratic management.
2. WE MUST STRENGTHEN IDEOLOGICAL AND POLITICAL WORK. This is not only an important part of the enterprise consolidation effort but also an important condition that guarantees the successful accomplishment of the consolidation task. In socialist enterprises, without effective ideological and political work, we cannot do various economic tasks well, nor can we enable the masses of workers to cherish an attitude as masters of their destiny or develop their socialist work enthusiasm. We should recognize that people's enthusiasm is determined not only by material conditions but also by the spiritual state. Socialist society must enable people to work not only for the interests of a unit and an individual but also for the common interests and long-term interests of the whole society.
3. WE MUST SERIOUSLY CONSOLIDATE FINANCIAL AND ECONOMIC DISCIPLINE. At present, enterprises are marked by chaos in their financial management. Relaxation of economic discipline is a universal phenomenon. The consequences are extremely serious. Therefore, in consolidating enterprises, we must strengthen financial management, observe financial systems and enforce strict financial and economic discipline. We must regard these as important parts of the effort and resolutely rectify such practices as withholding tax payments, resorting to deception, practicing corruption and encroaching upon state interests -- acts that run afoul of financial and economic discipline.



Any violation of law or discipline must be severely dealt with. The serious offender must be punished according to the law. While establishing an economic responsibility system, we must ensure that enterprises direct vigorous efforts toward proper operations and management and increase economic results. In no way can we allow violation of law and discipline or involvement in speculation or profiteering to serve private ends. To this end, we must strengthen the inspection and supervision of enterprises by the state.

4. WE MUST SERIOUSLY CONSOLIDATE THE LEADING GROUPS OF ENTERPRISES. Experience shows that without a good leading group, the party's general and specific policies and state plans cannot be correctly carried out in enterprises. The correct views of enterprise workers also can hardly win timely support and find correct implementation without a good leading group. Besides the enterprise operational level cannot be raised. THEREFORE, CONSOLIDATING THE LEADING GROUP IS THE KEY TO ENTERPRISE CONSOLIDATION. We must reorganize the leading groups in a planned and systematic manner. Enterprise leading groups must firmly cultivate a mass viewpoint, resolutely overcome various unhealthy practices and evil bureaucratic habits marked by departure from the masses and develop the fine style of sharing joys and sorrows with the masses and setting personal examples. They must firmly foster and correctly apply the weapon of criticism and self-criticism, set strict demands upon themselves, and show the courage to manage and the courage to fight all unhealthy practices. They must firmly cultivate the viewpoint of regarding the situation as a whole and the concept of taking collective interests into consideration. They must consciously guard against and overcome various departmentalist trends which ignore state interests. To adapt to new conditions and demands, the enterprise leadership must strive to acquire knowledge and skills in organizing modern mass production and be good not only at management but also in operations. Only in this way can we lead the whole body of workers to continuously raise the operational or management level of an enterprise and improve the economic effect.

#### ARTICLE ON GROWTH SPEED OF HEAVY INDUSTRY

HK281450 Beijing RENMIN RIBAO in Chinese 16 Oct 81 p 5

[Article by Qi Jian [7871 0256]: "Enliven Heavy Industry and Strive for a Certain Development Speed" -- capitalized passages published in boldface]

[Text] Since the beginning of this year, we have been resolutely implementing the policy of readjustment and enthusiastically promoting the production of consumer goods for daily use. Great achievements were made in light industry in the first half of this year and its output value increased by 11.6 percent compared with the same period last year. However, heavy industry met with many difficulties. There was no growth in the first half of this year. Its output value was much lower than that in the same period last year. If things in heavy industry go on like this, it will bring much negative influence on the national economy. We must attach importance to this problem and adopt measures to change the situation of production dropping in heavy industry and enliven it.

In order to enliven heavy industry, we must first solve some problems of ideological understanding. Some people think that we must rapidly develop light industry during the readjustment period and that the speed of development of heavy industry is not important. This way of thinking is related to another kind of thinking, that is, during the readjustment period, the problems we want to solve are structural and proportional and the speed of economic development is not important. Before we can develop heavy industry, we must have a correct understanding of the significance of the speed of economic development and the speed of development of heavy industry.

Over a long period in the past, we were influenced by the leftist guiding ideology. We tried to attain impracticable high speeds and upset the overall balance, resulting in an irrational economic structure and poor economic effect. At present, in readjusting the national economy, we are mainly readjusting its economic structure and solving the problem of disproportion.



In order to overcome our past mistakes, we have criticized the way of blindly trying to pursue high speed and pointed out that in determining speed, we must take into account necessity and possibility. Doubtlessly, all this is correct and necessary. However, we do not mean to say that we can ignore the question of speed during the readjustment period, nor do we mean to say that during the readjustment period, the economy need not develop at a certain speed.

For some time, we have attached importance to the question of the economic structure. This is quite necessary and is a big step taken in economic work and economic study. However, just as we should not talk about the speed of economic development without linking it with the economic structure, we should not talk about the economic structure without linking it with the speed of economic development. Although economic increase and the economic structure affect each other, economic growth is the basis for changes in the economic structure. Viewed from the history of human society, the economic structure changed very slowly before capitalist society. For example, during the prolonged years of feudal society, there was little change in industry and the reason was that the economy grew very slowly. The reason why the economic structure in a capitalist country changes rapidly is that the speed of economic development in a capitalist society, when compared with that in previous societies, is much quicker. This tells us that without economic growth, there will not be any rational change in the economic structure. Evidently, attaching importance to the economic structure never means that we can ignore the speed of economic development.

The change in the economic structure since the founding of our country cannot be separated from economic growth either. It is on the basis of rapid economic development that we have accumulated a large amount of funds, promoted the development of industry, especially heavy industry, and set up a relatively complete industrial system and national economic system. The experience in readjusting the national economy in the early 1960's in our country also proved that only when the economy developed at a certain speed could we accumulate the necessary finance, materials and manpower to provide favorable conditions for readjusting the economic structure and proportion.

Some people think that it is also possible to readjust the structure and proportion without speedy development and even when the economy is receding, for example, we can reduce the production of some departments in order to increase the production of others.

We consider that this may be possible and necessary within a specific short duration, but it probably will not work over a relatively long period of time. The reason is that without speedy development, the economy is in fact at a standstill. When we say that the economy is receding, we mean that the economy is shrinking. Evidently, our economic readjustment by no means aims to have our economy at a standstill nor to make it shrink. Moreover, if our economy is at a standstill or shrinks, we will meet with almost insurmountable difficulties in readjusting proportion; still less will we be able to rationalize the economic structure.

Due to various factors, we need to have a certain speed of economic development during the current economic readjustment in our country. First, the current readjustment is different from that at the beginning of the 1960's. We have not reduced the number of workers but have increased it. From 1977 to 1980, the number of new workers in towns and cities reached 28 million. If there is no economic growth at a certain speed, there will be serious holdups and waste in production, and labor productivity will drastically drop. Second, during the current readjustment, we have increased, to a relatively large extent, the income of workers and commune members and improved people's livelihood. This is also very different from what happened in the past readjustment and is quite necessary. If the economy does not grow at a certain speed, it will be very difficult for us to maintain this situation. Third, during the past readjustment, the state released some financial burdens, but during the current readjustment, the state has taken up many burdens, such as raising workers' wages, raising the prices of agricultural produce, various subsidies for regulating prices, some imported construction projects which cannot be suspended, and so on.

Without a certain speed of economic growth, the state will not be able to overcome its financial difficulties. Fourth, only if our economy develops at a certain speed during the readjustment period can we accumulate our strength so that the national economy can develop more smoothly and rapidly after the readjustment. In addition, our country has embarked on the road of improving the economic effect of our economic construction. Without a certain speed of economic development, we cannot fully utilize the productive forces in existing enterprises and the economic effect cannot be improved but will become even worse. Fifth, viewed from the readjustment of structure and proportion, in order to strengthen weak links in the national economy, such as energy, communications and transportation, and to further develop light industry, we need to have a certain speed of growth in the whole national economy. If the national economy is at a standstill or shrinks, it will be difficult to fulfill smoothly the task of readjustment. We can see from the above that it is wrong to think that during the readjustment period, production should be minimized and its speed of development should be as low as possible nor is it correct to look upon targets which can be hit if we make our efforts as a manifestation of leftist ideas. At present, we should oppose blindly trying to pursue high speed and at the same time we should also guard against and overcome the tendency of belittling speed and not trying to acquire feasible speed.

We have just explained that during the readjustment period, our economy has to develop at a certain speed. Therefore, it is now easy to understand that heavy industry should develop at a certain speed. At present the situation of agricultural production is gratifying and light industry is also developing quite satisfactorily. The speed of development of heavy industry has become the key to the development speed of the whole economy. After 30 years' construction, heavy industry is playing a very important role in the national economy. In 1980, the output value of heavy industry accounted for 37.1 percent of the total output value of industry and agriculture and 52.9 percent of the output value of industry. If heavy industry does not develop at a certain speed, it will also be difficult for other industries and the whole national economy to develop at a certain speed. In the first half of this year, although our country's light industry grew rapidly, the whole industrial output value increased only by 0.8 percent because of the shrinkage of heavy industry. This failed to meet the requirements of the state plan. In one province, the output value of light industry increased by 12.2 percent from January to July this year but the output value of heavy industry dropped by 9.7 percent. Since the output of heavy industry accounted for a large proportion of the whole industrial output value, and the amount of decrease in the output value of heavy industry exceeded the amount of increase of the output value of light industry, the output value of industry as a whole dropped by 2.8 percent.

To be more specific, BESIDES AFFECTING THE SPEED OF GROWTH OF THE INDUSTRIAL OUTPUT VALUE AND THE TOTAL OUTPUT VALUE OF INDUSTRY AND AGRICULTURE, THE SPEED OF GROWTH OF HEAVY INDUSTRY ALSO SERIOUSLY AFFECTS AT PRESENT THE SPEED OF DEVELOPMENT OF THE NATIONAL ECONOMY IN THE FOLLOWING ASPECTS.

First, IT AFFECTS THE SPEED OF DEVELOPMENT OF LIGHT INDUSTRY. The development of light industry not only depends on heavy industry for equipment but also for raw materials. For example, the production of bicycles needs steel products from the metallurgical industry and painting materials from the chemical industry; the textile industry needs chemical fiber and dye materials from the chemical industry, and so on. In 1952, our country's light industry depended on agriculture for 12.5 percent. But in 1980, the former decreased to 68.5 percent and the latter increased to 31.5 percent. It is clear that the percentage of light industry's raw materials from heavy industry is increasing.

Some people think that at present, in order to increase the speed of development of light industry, we cannot stress the speed of development of heavy industry. They even think that only if the production of heavy industry drops can light industry develop.

This way of thinking is at least incomplete. In the past, we one-sidedly adopted the policy of giving priority to the development of heavy industry. As a result, heavy industry has hampered the development of light industry and agriculture and some departments in heavy industry have developed too quickly. Under these circumstances, such departments should contract a little within a certain period of time so that light industry can have the necessary energy, raw materials and investment and develop more quickly. This is of course necessary. However, while we are aware of contradictions between heavy industry and light industry, we should also be aware that they depend upon each other and that light industry also depends upon heavy industry. During the readjustment period in our country, if heavy industry does not grow at a certain speed, it will be impossible for light industry to have a constant rapid development.

Second, IT AFFECTS THE DEVELOPMENT OF ENERGY, COMMUNICATIONS AND TRANSPORTATION. At present, energy is an important conditioning factor in the national economy. The development of heavy industrial departments such as coal, oil and electricity has an extremely important bearing on the development of the whole economy. The way to solve the present energy problem is mainly to save energy. In order to save energy, heavy industrial departments have to provide machines and equipment which consume less energy and with higher efficiency to replace machines and equipment which consume more energy and with lower efficiency. At present, communications and transportation are also weak links in the national economy and in order to develop them, heavy industry also has to provide various kinds of vehicles, vessels and other means of production for transportation.

Third, IT AFFECTS THE RENEWAL OF EQUIPMENT AND TECHNOLOGICAL TRANSFORMATION. In large-scale modern social production, the role played by technology in economic development should not be underestimated and technological transformation in the national economy depends to a very large extent on the development of heavy industry. Technological transformation is a very important link in readjusting the economic structure and proportion. Therefore, during the readjustment period, we should never overlook or slacken technological transformation. All sectors of the national economy should firmly grasp the work of technological transformation according to necessity and possibility. Special attention should be paid to the renewal of equipment. The renewal of equipment, technological transformation and the development of heavy industry are mutually related. If we do not firmly grasp the renewal of equipment and technological transformation, the development of heavy industry will meet with problems such as marketing. If heavy industry does not develop at a certain speed, the renewal of equipment and technological transformation will lack the necessary material conditions. Of course, technological transformation should be carried out step by step and in a planned way.

It goes without saying that if heavy industry does not develop at a certain speed, the state's financial income will be affected.

From the above, we can see that it is necessary for heavy industry to maintain a certain speed of development during the readjustment period. Is it possible to achieve this then? Viewed from historical experience at home and abroad and from our present actual situation, we hold that this is possible. For example, during the restoration period from 1950-1952 after liberation, we were faced with the task of restoring the national economy and the task of readjustment but agriculture and light industry were restored and developed very quickly and even heavy industry was restored very quickly. Another example was the readjustment period from 1963-1965. During this period, we acquired a relatively high speed of economic growth in heavy industry as well as in agriculture and light industry. Again, let us view it from the history in foreign countries. After World War II, capitalist countries such as Japan, France, West Germany, and so on, were also faced with the task of economic readjustment during the restoration period of their national economy. They also met with many difficulties but their heavy industry as well as their light industry was restored and developed at a relatively high speed. Again, viewed from our country's present situation, although we are faced with many difficulties such as energy, funds, markets, and so on, in developing heavy industry, these difficulties can be overcome.



At present, there is a prodigious waste of energy in our country and the potential for increasing production by means of saving energy in heavy industry is very great. As to the question of funds, there is much potential to tap in creating, accumulating and utilizing funds. Funds for developing heavy industry can be raised at home and we can also make use of foreign funds. As a matter of fact, even in the first half of this year, the production of heavy industry in many localities and enterprises maintained a certain speed of increase. In addition to objective reasons, the decrease of production in heavy industry in some places was related to insufficient understanding of the importance of developing heavy industry and to not rousing ourselves to action. If we understand the significance of developing heavy industry, take measures to overcome difficulties and strive to raise the level of economic management and enterprise management we can certainly make heavy industry develop, in the same way as agriculture and light industry, at a satisfactory speed.

It should be pointed out that when we say that heavy industry should develop at a certain speed, we never mean to blindly develop it at an impracticable speed. In order to rationalize the economic structure, the speed of development of light industry should be higher than that of heavy industry during the readjustment period. Therefore, we should continue to prevent heavy industry from hampering the development of light industry and limit the production of departments with an overextended front. Due to differences in the foundation of heavy industry and differences in conditions for development, the speed of development is also different in different places. We should not ask to have only one speed. In places where the proportion of heavy industry is greater and conditions for further development are available, such as the supply of energy, the speed of development can be quicker. The purpose of maintaining a certain speed of development in heavy industry is to produce products needed by the society. Therefore, production must be suited to needs and we should resolutely guard against and overcome the phenomenon of "speed for the sake of speed," and "producing more, procuring more and overstocking more." If products produced are overstocked in storehouses, the speed of such production is false speed, which will only harm economic development. We should never strive for speed of this kind. While paying attention to speed, we should also pay attention to increasing varieties, raising quality and lowering the cost of production so that the speed of growth will be conducive to improving the economic structure and economic effect and an optimum integration of the three can be obtained.

BAN YUE TAN ON TAPPING PRC'S BIG POTENTIAL

HK280957 Beijing BAN YUE TAN in Chinese No 19, 10 Oct 81 pp 5-7

[Article by Ren Li [0117 0500]: "Gold Is Everywhere, the Potential Is Tremendous"]

[Text] "Gold is everywhere, the potential is tremendous!" This is the personal understanding of Tian Xinyi, financial bureau chief of Fushun municipality in helping the enterprises to enhance economic effect. This is a true picture of the situation of China's enterprises at present. Tian Xinyi talked about this experience recently at the national industrial and communications work conference. People in Beijing economic circles commended his "correct summing-up and good generalization."

At present, China has quite a solid industrial foundation. By the end of 1980, it had 400,000 industrial and communications enterprises, and 500 billion yuan of fixed assets. However, the country is still poor and does not have much material wealth. The reason for this is that the economic effect of enterprises has been low, much equipment has not been fully utilized, a considerable number of enterprises have been "extremely extravagant," and energy and raw materials which are in short supply have been wasted. For example, because of damaged freight cars on the railways, more than 15 million tons of coal is wasted every year while being distributed by the state. About 3 million tons of cement is wasted because of damaged paper bags. If 1 ton of cement costs 50 yuan, this loss will amount to 150 million yuan.



In a major theft recently revealed by the Hefei public security bureau of Anhui Province, there were among other things stolen, copper, tin, aluminum, steel, rubber, timber and electric cables which cost over 50,000 yuan. Some of the metal parts were brand new and they were even coated with anti-rust oil. The people in charge of the victimized unit did not have any knowledge of this. They were greatly astonished when the public security personnel brought the criminals to them when handling the case.

At present, the annual profit and tax paid by industrial and communications enterprises constitutes 3/4 of the total state revenue. The most important thing to increase revenue is to tap the production potential of existing industrial and communications enterprises. Looking at the enterprises, bigger factories and factories under the Central Committee usually have greater waste, and thus, have greater potential for practicing economy and increasing income. The relation between industrial development and revenue in our country is approximately: when industrial output increases by 1 percent, revenue increases by 1 billion yuan. We should understand that it is by no means easy to increase the national industrial output by 1 percent. However, if we pay attention to the economic effect of enterprises, we will save not only 1 billion yuan per year, but several billion yuan. According to his experience in Fushun, Comrade Tian Xinyi said that if each of the 6,000 key enterprises can practice economy, tap potential and increase their income by 1 million yuan, the total amount will increase by 6 billion yuan, which is equivalent to the amount of increased revenue when China's total industrial output increases by 6 percent. What a tremendous amount of wealth!

Why has there been such great waste in the enterprises? This is primarily because: 1) Under the system of "eating out of a big pot," the enterprises and staff and workers lack internal motivation; 2) the localities and departments are separated; they often dispute over trifles and fail to rationally utilize the resources. While implementing the economic responsibility system, we intend to link up responsibilities with economic benefits in order to achieve unity of rights, duties and benefits, mobilize the enterprises' enthusiasm for management and the workers' enthusiasm for production, strive to tap the enterprises' potentials and enhance economic effect.

What should be done to tap the enterprises' potentials? First, pay close attention to management. Second, carry out technological reform and transformation to tap production potentials. Third, pay attention to the comprehensive utilization of resources. That is to say, we should try to obtain wealth through management, through technological reform and transformation and tapping production potential and through comprehensive utilization of resources. In this aspect, some localities and enterprises have made outstanding achievements. Last year, some Shanghai enterprises owned by the whole people carried out technological reform and transformation to tap the production potential of 4,510 projects, each costing more than 50,000 yuan. Last year, 2,040 projects were completed. The main effects achieved last year were: these enterprises saved 100,000 tons of coal, 13.15 million kWh of electricity, 260,000 tons of oil and compressed fuel oil, increased the production of watches by 800,000, bicycles by 55,000, TV sets by 60,000, tape recorders by 60,000, and produced an additional 13.56 meters of medium and long staple fabrics and corduroy. Last year's investment in these projects which were transformed and reformed to tap production amounted to 1.7 billion yuan, the increased output value in the same year amounted to 1.7 billion yuan, and the profits and taxes amounted to 380 million yuan. In China, Shanghai is rather advanced in management, technology and utilization of equipment. With such initial efforts, these enterprises have tapped great potentials. It is easy to imagine what other localities will achieve if they make efforts. The Fushun No. 2 oil plant of Liaoning Province is a large-scale oil refinery. Last year, the amount of processed crude oil was reduced by 100,000 tons compared with that of the previous year. Thus, its profits should have been reduced by 24 million yuan. However, through strengthening the economic responsibility systems, implementing responsibility systems in connection with output and rewards, improving equipment and increasing the production of high-grade goods, its profits increased by 37 million yuan over that of the previous year.

Generally speaking, the experience of many enterprises has shown that our enterprises need not put in too much effort, need not acquire new premises or equipment, need not invest or over invest in order to reduce expenditures, increase production and increase income. A worker of the Fushun No 2 oil plant said: "It is quite easy for a large enterprise to increase its income by 8 to 10 million yuan per year!" He was quite right.

Work can only be done by people. What should be done in order to "pick up the gold which the enterprises have laid on the ground?" In the final analysis, the key lies in people, in cadres and workers of the enterprises. One should still remember: In the early 1960's the newspapers once advocated and carried out extensive propaganda on the spirit of "making every cent count." This slogan was put forth by a Beijing ink factory. In the spring of 1962, the director of the Beijing ink factory asked the factory's party branch and all staff and workers to discuss at a meeting his proposal that the packing materials for each item be reduced by 0.001 yuan. After that, the spirit of "making every mill count" aroused the masses to action, changed the situation of the factory which had been in the red and accumulated a large amount of funds for the state. If our cadres and workers in the industrial and communications circles can keep the general goal in sight and take the daily tasks in hand, boost their morale and earnestly do something to enhance the economic effect, China's enterprises will soon take on a new look.

#### BAN YUE TAN DISCUSSES SPIRIT OF RESOLUTION

HK290809 Beijing BAN YUE TAN in Chinese No 19, 10 Oct 81 pp 14-16

[Article by Ding Panshi [0002 4323 4258]: "Uphold Truth, Rectify Error"]

[Text] In the process of studying the Resolution on Certain Questions in the History of Our Party Since the Founding of the People's Republic of China, some of the basic level cadres and masses have asked this question: our party has made such a great achievement in leading the people of the whole country and Comrade Mao Zedong rendered such meritorious services, the making of some mistakes is also unavoidable. Is there any need to expose these mistakes and shortcomings in the resolution? Why not speak less about them?

The intention of the comrades who have said these words is good, but they do not understand that we communists have a broadness of mind.

"Upholding truth and rectifying error" has been a consistent work style of our party and the basic stand of dialectical materialism our party must take. It is difficult for any political party or individual not to make mistakes. An important hallmark of the greatness of our party which distinguishes it from other political parties lies in the fact that we dare to uphold truth and rectify error. Therefore, it has been able to keep itself young and to lead the people of the whole country from triumph to triumph.

The resolution adopted at the 6th Plenary Session of the 11th CCP Central Committee is a model of "upholding truth and rectifying error." This basic stand of dialectical materialism of "upholding truth and rectifying error" is like a red thread running through the whole of the resolution. The resolution has informed us: When looking back on the history of the party, "upholding truth and rectifying error" above all means upholding the things which have long been proven in practice to be correct, affirming the experiences we have obtained in achievements and successes and rectifying the things which have long been proven in practice to be wrong.

In the 32 years since the founding of the People's Republic, we have won tremendous achievements which are universally acknowledged and have accumulated many successful experiences. Comrade Mao Zedong rendered magnificent contributions to our socialist revolution and socialist construction. In fully affirming these, the resolution is upholding truth. Because of the lack of experience, the party and Comrade Mao Zedong also made some mistakes. The resolution has pointed out these mistakes, analyzed their causes and summed up the lessons of past experiences. This is for the sake of rectifying error and aimed at making better progress. The resolution has put it aptly: "It is impermissible to overlook or whitewash mistakes, which in itself would be a mistake and would give rise to more and worse mistakes."

In history, by taking the stand of "upholding truth and rectifying error," our party has saved our cause from danger and defeat. During the revolutionary war, the criticism of Wang Ming's left opportunist error at the Zunyi conference in 1935 affirmed Comrade Mao Zedong's strategic policy of fighting a people's war and established the leading position of Comrade Mao Zedong in the Red Army and the CCP Central Committee. This saved the Red Army and the CCP Central Committee which were then in critical danger, brought the Long March to a triumphant conclusion and opened up a new vista for the Chinese revolution. After the founding of the People's Republic, the CCP Central Committee in the winter of 1960 started to correct the leftist error in rural work and began to implement the eight-character policy of "readjusting, consolidating, filling out and raising of standards" for the national economy. In January 1962, the enlarged central work conference made a preliminary summing-up of the experiences and lessons of the "Great Leap Forward" and unfolded criticism and self-criticism. A majority of the comrades who had been unjustifiably criticized during the campaign against "right opportunism" were rehabilitated before or after the conference. These economic and political measures of "upholding truth and rectifying error" enabled the national economy to recover and develop fairly smoothly between 1962 and 1966. At the same time, we also had some lessons by negative example. For instance, the leftist errors in the principles guiding economic work had not been eradicated but had actually developed in the spheres of politics, ideology and culture. These errors eventually culminated in the "Great Cultural Revolution," a serious error which had a bearing on the overall situation and which lasted for such a long time.

Engels said: "Great classes, like great nations, learn faster from their own mistakes than from any other quarter." Historical practice has also informed us that only by squarely facing mistakes, earnestly exposing mistakes and developing criticism and self-criticism can we draw on the lesson of past experiences, avoid repeating similar mistakes and triumphantly push forward the socialist cause. It is precisely in this way that while affirming the tremendous achievements of our party in the first place, the resolution at the same time has not concealed the serious mistakes made by our party in leading the socialist cause due to the lack of experience. It is precisely in this way that, in evaluating the role played by Comrade Mao Zedong, the resolution has on the one hand pointed out that his contributions to the Chinese revolution far outweigh his mistakes and that his merits are primary and his errors secondary; on the other hand, it has appropriately pointed out the serious mistakes made in his later years and the lessons we can learn from them. Stemming from their profound feeling for Comrade Mao Zedong, some of our comrades do not quite approve of the assessment of Comrade Mao Zedong's mistakes. This kind of sentiment is understandable. However, the substitution of feeling for objective reality is obviously an attitude of disrespect for science. Proletarian feeling means that the cause of the party and the interests of the people should always come first. We not only must affirm the great achievements of Comrade Mao Zedong, we must also conscientiously rectify his errors.

In the future, we must take the basic stand of dialectical materialism of "upholding truth and rectifying errors" in all our work. This means we must take up the weapon of criticism and self-criticism and boldly criticize leftist or rightist tendencies. If there are mistakes in our work, we must also have the courage to make self-criticism. We should carefully think, the resolution has even earnestly carried out criticism and self-criticism regarding the mistakes of the CCP Central Committee and Comrade Mao Zedong, what reason is there for us to turn a blind eye to the leftist or rightist erroneous tendencies appearing before us and to our own shortcomings and mistakes without carrying out criticism and self-criticism?

Naturally, in carrying out criticism of comrades, we must adopt the policy of curing the sickness to save the patient and helping those criticized. We absolutely must not repeat the former leftist mistakes of doing things in a crude and simplistic manner, elevating minor mistakes and shortcomings to the level of principles and hitting out at random.



The resolution has also set us a very good example. For example, when discussing the serious mistakes made by Comrade Mao Zedong in his later years, the resolution has pointed out that it was after all the error of a great proletarian revolutionary, and although he had confused right and wrong and the people with the enemy during the "Great Cultural Revolution" and made serious leftist mistakes, he was totally different from the Lin Biao and Jiang Qing counterrevolutionary cliques which deliberately muddled the distinction between the enemy and the people. Furthermore, it has emphatically explained that he checked and rectified some of the specific mistakes, protected some leading party cadres and nonparty public figures, led the struggle to smash the counterrevolutionary Lin Biao clique and frustrated the sinister ambition of Jiang Qing, Zhang Chunqiao and others to seize supreme leadership. He pursued a correct foreign policy, stood up to the pressure of the social imperialists, outlined the correct strategy of the three worlds and advanced the important principle that China would never seek hegemony. All this explains why the evaluation of Comrade Mao Zedong's merits and faults made by the resolution is extremely appropriate. In developing criticism and self-criticism, we must study this scientific and analytical attitude of seeking truth from facts.

#### BEIJING COMMITTEE BANS PUBLICLY FINANCED FEASTS

HK290200 Beijing CHINA DAILY in English 29 Oct 81 p 4

[Text] The Beijing municipal committee recently decided to forbid feasts financed by public funds. A reporter from the journal LIFE IN PARTY BRANCHES called on the preparatory group of the municipal disciplinary commission and asked a responsible comrade there a few questions on the subject.

Question: Unhealthy tendencies are expressed in many ways. Why is there so much concern now about feasting with public funds?

Answer: There are many reasons. One, this malpractice is quite common. Many units are troubled by it.

Two, it remains a problem despite repeated injunctions from the central and the municipal committees, and in some units the problem is even increasing.

Three, it is connected with many other bad practices or is the cause of them. Behind it, hide many violations of the law and discipline.

Four, the people are very dissatisfied and strongly demand that we put a stop to it.

And five, if we concentrate our efforts to deal with it effectively, people will be encouraged and continue their fight against other malpractices.

Question: Some people think such feasts are necessary for the advancement and benefit of a collective and anyway, such things are trifles. Are there any grounds for such beliefs?

Answer: Such beliefs are definitely wrong. No matter what form they take, feasts can only benefit a few people at the expense of the state or the collective. Some people have put it very aptly: "I invite you and you invite me, at the expense of the state and to benefit ourselves."

On the eve of national liberation in 1949, Comrade Mao Zedong said we must arm ourselves against the attack of sugar-coated bullets from the bourgeoisie. Currently some of our comrades are treating each other with feasts and gifts, it's like shooting each other with sugar-coated bullets.

Some comrades hate this kind of misconduct, but at the same time they yield to it, getting caught in their own web. If we don't end this evil habit, our party's prestige will be seriously affected. Thus halting malpractices, including feasting and presenting gifts, is 'a matter of our party's life and death.'



Question: Some people say, last year we dealt with "special dinners" at Fengzeyuan restaurant in a big way, but we never succeeded in stopping them. This time we may also fail. What's your opinion of this point of view?

#### Special Dinners

Answer: Last year's criticism of "special dinners" did get results. Instances of leading cadres not paying the full bill for their "special dinners" have dropped sharply. It proved that if we were determined to stop malpractice, we can stop it.

Unhealthy tendencies existed before the "Cultural Revolution," but not so seriously. During the 10 years of turmoil, Lin Biao and the gang of four played havoc with party discipline and style of work. Unhealthy tendencies were rife and became habits which could not be eliminated easily. Thus it is quite understandable that some comrades have lost confidence in our ability to overcome them.

But such comrades only see the dark side of the problem; they are blind to the bright side. We believe, however, there are four important points that are worth mentioning here.

One, we now have a good party Central Committee and a central disciplinary commission who support the broad masses of party members and the people in their fight against unhealthy tendencies.

Two, the Beijing municipal committee is determined to fight against malpractices. Its standing committee has called many meetings to study the problem and has chosen the elimination of feasting as a key goal. It is determined to put an end to all malpractices and will never stop halfway.

Three, the broad masses of party members and the people detest unhealthy tendencies. Many of them have written or telephoned the municipal committee and exposed instances of feasting. The party relies on the masses and the masses support the party in their common struggle, and this is the correct formula for victory.

And four, the great majority of our cadres are upright and well-behaved. Only a few indulge in feasting. And many of these are willing to follow the party line and correct their mistakes after being educated.

Question: Some people think it's necessary to carry out a mass political campaign to correct unhealthy tendencies. What are the measures we are adopting at the moment?

Answer: It's wrong to solve contradictions among the people by political campaigns. Unhealthy tendencies are generally contradictions, which are different from criminal offenses, and can only be solved through education, criticism and self-criticism. Necessary ideological struggle will be carried out, but there will be nothing like another "Cultural Revolution."

#### ACHIEVEMENTS REPORTED IN REMOTE SENSING TECHNOLOGY

OW281351 Beijing XINHUA in English 1318 GMT 28 Oct 81

[Text] Beijing, October 28 (XINHUA) -- Chinese scientists prospecting for oil and natural gas-bearing structures in the Tarim basin are getting a great deal of remote sensing data through interpretation of satellite images.

XINHUA learned this today from the national remote sensing center on the eve of the second Asian conference on remote sensing which will be held in Beijing tomorrow.

China has used the remote sensing technology for oil and natural gas prospecting in Sichuan, Inner Mongolia, different parts of north China and northern Jiangsu.

Hydrogeological studies, by means of satellite images, have also been carried out in north China, Xinjiang, Jilin and other arid or semi-arid areas.

Institutes of optics, electronics, physics, chemistry, astronomy and earth sciences under the Chinese Academy of Sciences are now engaged in research on remote sensing technology and application. Sixteen universities and colleges are teaching the subject and the Ministry of Geology has set up 46 remote sensing geological institutes and a research center in Beijing.

After years of effort, Chinese scientists have developed a great variety of sensors as well as remote sensing image processing equipment with different technical standards. A visible light and infrared scanning radiometer for the meteorological satellite has been trial-produced and airborne side look radar is being used to obtain images of objects on earth.

Chinese scientists have also carried out basic studies on remote sensing and done research on the mechanism of receiving information signals from objects on earth. China is setting up a remote sensing information system to provide systematic scientific data for prospecting, management of natural resources and environmental supervision.

Chinese scientists have also made use of remote sensing technology to study the geological and seismological conditions of a number of reservoir sites including Danjiangkou in Hubei and Panjiakou in Hebei Province. The change of the beds of the Yangtze, Yellow, Pearl and Hai Rivers and the coastline of China have also been studied using this technique.

#### PROGRESS MADE IN SYNTHESIZING ANTICANCER DRUG

OW270316 Beijing XINHUA in English 0224 GMT 27 Oct 81

[Text] Beijing, October 27 (XINHUA) -- Scientists at the Shanghai Institute of Materia Medica under the Chinese Academy of Sciences have made important progress in the total synthesis of the anticancer drug, maytansine, according to the division of biology of the academy.

A research group of Chinese scientists led by Professor Gao Yisheng used a simple and convenient approach to accomplish the cyclization, the biggest obstacle in the research. They are accumulating what is called large-ring lactam representing the maytasinoid ring skeleton before the total synthesis can be realized, perhaps next year.

Division sources said that China would be the second nation to accomplish the total synthesis of maytansine which calls for a high technical level in organic synthesis.

Eight foreign laboratories have been working on the synthesis since 1972. Professor E.G. Corey of Harvard University reported success in the total synthesis last year.

Maytansine is extracted from the tropical plant maytenus, from which Professor M.M. Kapchan of the University of Virginia got the anticancer elements in 1972. China later located the plant in Xishuangbanna, Yunnan Province.

As early as in 1973, the institute, in collaboration with the Yunnan Institute of Tropical Botany, extracted effective contents from maytenus.

ANHUI'S ZHANG JINGFU WRITES ON LITERARY ART WORK

OW290958 Hefei Anhui Provincial Service in Mandarin 1100 GMT 28 Oct 81

[Excerpt] Issue No 5, 1981, of Jianghuai LUNTAN [Jianghuai TRIBUNE] has been published recently. It contains an article by Comrade Zhang Jingfu, entitled "Correctly Understand and Resolutely Overcome the Liberalization Trend of Literary and Art Circles."

The article states: Literature and art form an integral part of our cause of the proletarian revolution and the work of the party. For party workers and literary and art workers alike, the present task is to study and implement the resolution adopted at the 6th Plenary Session of the 11th CCP Central Committee and other documents of the central authorities relevant to the questions on the ideological front. The article emphatically points out that the instructions issued by the central authorities concerning the questions on the ideological front are very important guidance for matters concerning our overall situation and for work in every field. It should be noted, however, that the instructions are mainly intended for the literary and art circles. Because of this, the literary and art circles should, in particular, pay earnest attention to these instructions. They should do their best to study and implement the instructions by linking them with the reality.

Comrade Zhang Jingfu's article consists of three parts under the following subtitles: "Grasp the Viewpoint and Method of Materialist Dialectics To Understand Clearly the Question of the Bourgeois Liberalization Trend Presently Existing in the Literary and Art Circles," "Arm Our Minds With the Guidelines of the Resolution and Instructions of the Central Authorities and Take the Initiative in Accord With the Party Central Committee Politically" and "Make Criticism and Self-Criticism From Time to Time as a Real, Powerful Motive Force To Develop Revolutionary Literature and Art."

In the latter part of the article Comrade Zhang Jingfu puts forward four requirements:

1. Comrades of the literary and art circles, primarily the party members, are requested to seriously check to see if they have drawn a clear line of demarcation between right and wrong on major questions. It is hoped that they will have a correct view and attitude through the study of the resolution and instructions.
2. It is necessary to screen the contents of journals and all literary and art activities so that articles, works, comments and activities not in accord with the party politically will not reappear.
3. Articles and works with mistakes already published in various journals should be treated conscientiously. Patient assistance and ample guidance should be given so as to clearly distinguish between right and wrong. It will be okay if those comrades who erred have corrected their mistakes.
4. It is necessary to study seriously, go deep into the reality of life and link these with literary and art creation so that literature and art will play a still better role in serving the people and socialism.

XU JIATUN PROPOSES JIANGSU-TAIWAN TIES

OW282217 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 28 Oct 81

[Text] A four-point proposal on establishing and strengthening Jiangsu-Taiwan ties was presented by Xu Jiatun, chairman of the Standing Committee of the 5th Jiangsu Provincial People's Congress today during the committee's 11th session. The proposal was made in accordance with the guidelines in NPC Standing Committee Chairman Ye Jianying's elaborations on policy concerning return of Taiwan to motherland and peaceful reunification and Comrade Hu Yaobang's speech at the Beijing rally in commemoration of the 70th anniversary of the 1911 revolution and in light of Jiangsu's actual situation.



Chairman Xu Jiatun said: Broad exchanges and close ties between Taiwan and Jiangsu have deep-seated historical origins. In particular, Nanjing was where the great revolutionary precursor Mr Sun Yat-sen established the provisional government of the Republic of China and where he assumed the provisional presidency. It is also where Mr Sun Yat-sen's mausoleum is located and where Mr Chiang Kai-shek resided for a long time and where the central organizations of the Kuomintang were located in the past. Many Kuomintang personages and people of various circles in Taiwan are natives of Jiangsu or had assumed official posts in Jiangsu. Some have close relatives and some have good friends here. Many compatriots of Taiwan origin are also residing in Jiangsu today. Therefore we earnestly hope that Jiangsu and Taiwan will have friendly exchanges and will have extensive cooperation in the economic and cultural fields so that the friendship between the people of the two provinces can be strengthened and so that they can build a peaceful and united country together.

To this end, Chairman Xu Jiatun proposed:

1. Invite and welcome the Jiangsu-born Yen Chia-kan, Li Kuo-ting, Yu Chi-chung, Shen Chang-huan, Liu Chi-huang, Teng Chuan-kai, Chu Hui-sen, Tsai Wei-ping, Hao Po-tsun, Ku Chu-tung, Yu Ching-tang and Li Chung-kuei as well as other Kuomintang party, government and military personnel and personages of all circles who had worked and resided in Jiangsu to come to Jiangsu to pay homage at Sun Yat-sen's mausoleum, to visit their hometowns, relatives and friends and to sightsee.
2. Invite Taiwan's industrialists to invest in Jiangsu or to engage in joint ventures with Jiangsu to set up and administer various economic undertakings and industrial enterprises and promote tourism. We guarantee our positive support and long-term cooperation and we guarantee that their ownership and legitimate rights and interests will not be infringed upon.
3. Invite Jiangsu-born persons now residing in Taiwan to return and settle in Jiangsu. We guarantee them warm support, proper arrangement, equal treatment without discrimination and freedom to come and go as they please.
4. Invite personages in Taiwan's economic, scientific, technological, educational, cultural, health and sports circles to visit Jiangsu and give lectures, carry out friendly exchanges and sports matches and give literary and art performances. We guarantee them freedom of (?movement) and will provide the needed conveniences.

Chairman Xu Jiatun said: [Words indistinct] we hope the Taiwan authorities, especially the people in Taiwan, will join hands with us to bring about an early realization of a great national unity.

Members of the Standing Committee of the Fifth Jiangsu Provincial People's Congress have had heated discussions on Chairman Xu Jiatun's four-point proposal. During their discussions, the thrilled members maintained that the four-point proposal presented by Chairman Xu Jiatun on establishing and strengthening Jiangsu-Taiwan ties have expressed the aspirations of the people in Jiangsu. They pledged that they would make positive contributions to the promotion and strengthening of Jiangsu-Taiwan ties and realization of national reunification.

#### SHANDONG MEETING ON AIR DEFENSE PROJECTS

SK241222 Jinan Shandong Provincial Service in Mandarin 2300 GMT 23 Oct 81

[Text] Shandong Province recently held a meeting in Qingdao for participants to visit the people's air defense projects and study experiences in combining their peacetime needs with war preparedness. The main purpose of the meeting was to further implement the guidelines of the national conference on air defense projects, organize the participants to visit air defense projects, exchange experiences, unify their thinking and promote the province's work to combine the peacetime needs of air defense projects with wartime needs.



During the meeting the participants studied related documents of the central authorities, heard and discussed a report delivered by Comrade Zhang Jingtao on behalf of the provincial air defense leading group, visited some of Qingdao's air defense projects which are being used to suit peacetime needs and heard the reports of Qingdao, Jining and Weifang municipalities and other units on their experiences. In line with the actual situation, they discussed some questions of how to utilize air defense projects to suit our peacetime needs.

The meeting noted that over the past 3 years our province has achieved fairly marked results in utilizing our air defense projects. Most of our key cities and towns have strengthened leadership over this work. As a result, more and more air defense projects have been utilized and our output value and business volume increased. Following the peacetime utilization of air defense projects, some jobless people have been placed. However, we must also recognize that our achievements are only initial ones and that many problems still exist, which require further efforts to resolve.

The meeting urged: We should continue our readjustment policy and do a good job in utilizing our air defense projects to suit our peacetime needs. We should devise plans to make proper use of existing projects. We should also adopt effective measures to expand their utilization. All planning, power, price, tax, industry-commerce administrative, commercial, grain, supply and marketing, public security, public health, labor and banking departments should render vigorous support by giving guidance in policies and business. We should intensify our propaganda to create public opinion for the peacetime utilization of air defense projects. The meeting stressed that we should conscientiously strengthen our leadership over the work of combining the peacetime needs of air defense projects with war preparedness. Party committees, governments and military departments at all levels should include on their agenda the task of strengthening the war preparedness of air defense projects and exercise powerful leadership over this work. Responsible comrades in charge of the work should acquaint themselves with the new situation and give timely guidance. People's air defense departments at all levels should exhibit vigor and full confidence, be responsible and successfully do their work.

#### SHANGHAI SATELLITE GROUND STATION WORLD'S BEST

OW280145 Beijing XINHUA Domestic Service in Chinese 1450 GMT 27 Oct 81

[Text] Shanghai, 27 Oct (XINHUA) -- The Shanghai satellite communications ground station ranks first in communications quality among the world's 212 international satellite communications ground stations, according to statistics compiled by the international communications satellite organization. The Shanghai administration of posts and telecommunications has been notified of this.

As a rule, the international communications satellite organization compiles statistics semiannually on the communications quality of ground stations in various countries of the world.

The main business of the Shanghai satellite communications ground station is international telephone, telegram, television and facsimile transmissions. According to regulation standards, the rate of circuit clearness at a station's end should reach 99.98 percent. In the first half of this year the Shanghai satellite communications ground station's antenna, receiving, transmitting, power supply and other equipment all had a serviceable rate of 100 percent, and its circuit clearness rate ranked first among the world's 212 stations.

WU KEHUA AT GUANGZHOU PLA UNITS CCP MEETING

HK290702 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 27 Oct 81

[Text] Recently the CCP committee of the Guangzhou PLA units convened an enlarged meeting of its standing committee to profoundly study the important speech of the central leaders at the training course for senior cadres of the PLA and the spirit of the national forum of the ideological front and to carry out criticism and self-criticism in light of the committee's actual conditions. At the meeting the units' CCP committee decided to take the lead in boosting its spirit, going deep into reality, working hard, paying close attention to implementing the party's policies and curbing the situation of lax and weak leadership so as to set an example for the units.

At the beginning of the meeting the responsible comrades of the committee pointed out that they should change their past practice of holding general discussions mainly on other people's problems rather than on their own, of touching merely the superficial phenomena rather than the essence in discussing their own problems and of being apt to raise requirements for the lower levels but seldom taking the lead in meeting these requirements themselves. They emphasized that they should study and provide solutions to the unit CCP committee's own problems so that the secretary of the CCP committee and members of the standing committee will really take the lead and set good examples for the CCP committees of leading organizations and units at all levels.

In accordance with instructions given by leading comrades of the CCP Central Committee and the spirit of the national forum of the ideological front, participants of the meeting carried out criticism and self-criticism in connection with the question of how the unit CCP committee should boost its revolutionary spirit, overcome the lax and weak situation and correct unhealthy trends. They examined all existing problems. They were of the opinion that one of the important causes for the laxity in discipline and work and life-style in the leading organizations and the units has been that the party committee merely makes many general calls in carrying out its work and fails to make efforts to go deep into reality and to pay painstaking attention to carrying out effective work.

Wang Meng, second secretary of the Guangzhou PLA units CCP committee and political commissar of the units, pointed out at the meeting that the sixth plenary session of the party has already formulated the major policies for building the state and the army, and the central leaders have also raised clear and definite requirements and expectations for army work. Therefore, the key problem now is that we should boost our spirits to work hard to soundly carry out these policies and realize these requirements and expectations.

Commander Wu Kehua, first secretary of the Guangzhou PLA units CCP committee, emphasized at the meeting that as long as the major responsible comrades of the committee remain resolute in their actions, the committee can work in an orderly manner. The headquarters of the general staff has already set an example for us. From now on, secretaries of CCP committees should take the lead in carrying forward the party's three major work styles of integrating theory with practice, having close ties with the masses and carrying out criticism and self-criticism, and in correcting unhealthy trends such as bureaucracy, privileges and so on, so that CCP committees will become strong, unified and authoritative leading cores.

After the meeting, leading members of the Guangzhou unit CCP committee took immediate action. They divided themselves into two groups. One was in charge of improving the work in leading organizations, and the other of improving work in units. Commander Wu Kehua, two other leading comrades of the unit and leading comrades of leading organizations of the headquarters, the political department and the logistics department were mainly in charge of improving work in leading organizations. They aroused and organized cadres in leading organizations to act according to instructions on army work given by leading comrades of the CCP Central Committee and the spirit of the national forum of the ideological front, adopt the method of from the masses and to the masses, expose contradictions and problems, study and work out measures for strengthening CCP committees and leading organizations, make improvements while rectifying the situation, start with minor problems while keeping the major ones in mind and solve one problem after another.

Wang Meng and six other members led a number of work groups to go deep into the basic units in the border areas and on off-shore islands to make investigations on the problems of making a deep study of the resolution, overcoming laxity and weakness, intensifying training, making preparations against war and carrying out the struggle of defending the borders against the enemy and to help the units to solve these problems on the spot.

#### GUANGDONG CONFERENCE ON IMPROVING SOCIAL ORDER

HK290717 Guangzhou Guangdong Provincial Service in Mandarin 2330 GMT 28 Oct 81

[Text] Social order has been improved greatly in Guangdong Province since the launching of the first rectification campaign. In order to consolidate and develop the achievements of the first campaign and to continuously grasp social order work, it has been decided that a second campaign will be launched beginning from November this year to the spring festival next year. This is the plan drawn up at the Guangdong provincial conference on tidying up social order. This conference was conducted by the Guangdong provincial CCP committee from 22 to 26 October in Panyu County.

Attending the conference were comrades in charge of legal work of various prefectural, municipal and county CCP committees and responsible comrades of the public security organs, the propaganda department of the provincial CCP committee, the provincial discipline inspection committee, the provincial federation of trade unions, the provincial CYL committee, the provincial federation of women, the Guangzhou Railway Bureau and other units concerned. Comrade Kou Qingyan, member of the standing committee of the provincial CCP committee, presided over the conference and spoke.

The conference summed up the situation of launching the first campaign on tidying up social order. From July to the end of September, a campaign on tidying up social order centering on striking blows at criminal activities was extensively launched throughout the province. The number of criminal cases, in particular serious offences, began to fall gradually after July. Good social order has gradually been restored in various areas where previously the social order was notorious, a healthy atmosphere prevailed and the arrogance of the criminals disappeared.

The conference emphatically arranged for work in the second campaign and demanded that all prefectural, municipal and county CCP committees continue to strengthen leadership, seriously analyze the current social order situation and be more determined to strive for a better social order situation in the province. In Guangzhou municipality and other municipalities where achievements were remarkable in the first campaign, it is necessary to consolidate and give play to the achievements in order to strive for an even better social order situation. Those counties and municipalities which have not shown remarkable results in the first campaign must strengthen leadership and adopt effective measures to promote rectification of social order and strive for better results. Whereas, those counties and municipalities where the first campaign was poorly launched must take extra lessons and mobilize the masses once again to seriously do a good job of tidying up social order and rapidly promote social order.



The conference demanded that, on the second campaign, it is necessary to continue to do a better job of cracking the criminal cases, in particular, murder, robbery, rape, arson, explosions and other major offences which seriously jeopardize social order, to crack a criminal case as soon as it happens, to clear up the criminal gangs and confiscate their weapons and ferret out criminals who flee hither and thither and do a good job of pursuing and capturing them. Simultaneously, it is necessary to launch comprehensive management and rectify the internal order of various units. All government departments, factories, mines and enterprises must treat rectification of social order as an important task. Party and government leaders must personally grasp it. It is particularly necessary to ~~do a good job of~~ <sup>to do a good job of</sup> situation for the children and juveniles in the second campaign and promptly mediate disputes among the people in order to get rid of factors of instability.

#### GUANGXI MEETING HELD ON FOREIGN AFFAIRS, TOURISM

HK281230 Nanning Guangxi Regional Service in Mandarin 1100 GMT 25 Oct 81

[Excerpts] The regional people's government held a meeting on the region's foreign affairs and tourist work from 12 to 24 October in Nanning. The meeting transmitted and implemented the instructions of the CCP Central Committee and the State Council on relevant topics, and discussed how to do a better job in the region's foreign affairs and tourist work. In the past year or so, there have been new developments in the region's foreign affairs and tourist work. Visitors from 57 countries and regions, including foreign guests, Overseas Chinese, and compatriots from Hong Kong, Macao and Taiwan have visited Guangxi; in particular, the number of tourists has increased tremendously.

In 1980, the total income from tourism in the region increased by 49.72 percent compared to that of 1979. Through contacts, the tourists and the local people have a better understanding of each other and their friendship is enhanced. This promotes the interflow of economic techniques, science and cultural knowledge. The development of tourism also promotes the development of other trades in the region, as well as providing more job opportunities.

Meeting delegates said we must strengthen centralized leadership over foreign affairs and tourist work, and perfect the management system in all work, especially tourist work. We must implement the policy to promote tourism, act according to our capability and advance steadily. Under the premise of achieving a centralized plan, policy, system, discipline and coordination in tourism, the regional tourist bureau is responsible for managing the region's tourist work. Nontourist departments and foreign traders are not allowed to engage in tourist trade in the region. Only in this way can we overcome the phenomenon of decentralization. At the same time, we must further improve tourist services and correctly handle the relations between politics and economics. In receiving tourists, we must pay attention to establishing friendship and communication with peoples from different countries. We must treat them warmly and be friendly. On the other hand, we must strengthen management so that we will be able to score good results in politics and economics.

At present, in dealing with foreign affairs and tourist work, we must strengthen ideological and political work. We must teach the cadres, staff and workers of foreign affairs and tourist departments patriotism, internationalism and the five stresses and four beauties, resist the corrosive influence of bourgeois ideology, correct unhealthy tendencies and practices and prevent things which might harm the reputation of the motherland and the prestige of our nation.

Attending the meeting were some 250 responsible people from the region's prefectural, municipal and county foreign affairs and tourist departments and other departments concerned. At the end of the meeting, Qin Yingji, secretary of the regional CCP committee and chairman of the regional people's government, attended and spoke.

HAINAN ISLAND DEVELOPMENT TO BE ACCELERATED

HK290754 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 26 Oct 81

[Summary] Guangdong Province has already made a decision on speeding up development of Hainan Island. In accordance with the decision, Hainan Island will be given great decision-making power and will adopt policies similar to those adopted by Shenzhen and Zhuhai in their economic relations with foreign countries. Hainan Island is encouraged to give preference to foreign merchants who wish to invest in the island, to increase exports and to develop tourism. Development in Hainan Island will be focused on tropical forestry, cultivation of tropical crops, fish breeding, processing of tropical crops and products, tourism and capital construction. Hainan Island will adopt a similar taxation policy to that of Shenzhen and Zhuhai in calculating profit taxes for foreign enterprises in Hainan. As far as the sharing of profits of joint enterprises is concerned, Hainan Island will demand a proportion less than that demanded in Shenzhen and Zhuhai. Similarly, the cost of using land and labor costs will also be cheaper in Hainan Island than in Shenzhen and Zhuhai.

HUNAN HOLDS STANDING COMMITTEE MEETING

## Hears Work Reports

HK261448 Changsha Hunan Provincial Service in Mandarin 1100 GMT 21 Oct 81

[Summary] "The 2d Session of the 11th Standing Committee of the 5th Hunan Provincial People's Congress was held on the morning of 21 October. The session listened to the reports given by (Che Daguang), vice chairman of the provincial committee for nationality work, and (Zhang Yuru), deputy director of the provincial judicial department, respectively on the province's nationality work and popularization of the legal system in the province." In addition, it also listened to various work reports given by (Wang Jinfu), deputy secretary general of the provincial people's government, (Zhao Huzhen), deputy secretary general of the provincial people's congress standing committee, and (Wang Zhixin), deputy procurator.

(Wu Zhiyan), vice chairman of the standing committee of the provincial people's congress, presided over the session and Vice Chairmen Guo Sen, Luo Qiuyue, Yin Ziming, Qi Shouliang, Wang Hanfu, Kon Anmin, Shi Bangzhi, and (Tian Sinmin) attended. Responsible comrades of various departments concerned were also present at the session.

## Legal Work Report

HK261458 Changsha Hunan Provincial Service in Mandarin 1100 GMT 22 Oct 81

[Summary] Entrusted by the Hunan provincial people's government, (Zhang Yuru), deputy director of the provincial judicial department, gave a report on the province's work in popularizing the legal system to the 11th standing committee of the 5th provincial people's congress. He said: "Since the beginning of this year, the province's judicial and administrative departments, under the leadership of the provincial CCP committee and the people's government, have successively popularized the criminal law, the law of criminal procedures, social order management regulations and penalties and the three important legal documents adopted at the 19th Session of the Standing Committee of the 5th NPC. Also we have popularized other laws and decrees such as the marriage law, the forest law and the law of environmental protection."

In addition to laws, we also popularized our principles of strictly dealing with criminals and setting good examples in struggling against illegal activities. In coordination with direct election campaigns at county level, we have popularized the establishment of local people's congresses at all levels and the law of organization, and law of election of people's governments at all levels. According to incomplete statistics, judicial departments at all levels throughout the province have already given work reports and popularized the legal system by conducting 10,600 forums, and some 8 million people have attended these forums. As a result, the social order situation in many places has improved. However, our province's work in popularizing the legal system is far from achieving the ultimate goal of strengthening the socialist legal system and improving the overall social order situation. Thus, we must work harder in strengthening the masses' sense of the legal system to ensure the smooth progress of the building of the four modernizations.

#### Nationality Work Report

HK261510 Changsha Hunan Provincial Service in Mandarin 1100 GMT 22 Oct 81

[Summary] "(Che Daguang), vice chairman of the Hunan provincial committee for nationality work, submitted a report on Hunan Province's work in managing nationality affairs to the 11th standing committee of the 5th provincial people's congress on 21 October. He said that since the founding of the PRC, the Hunan Provincial CCP Committee and the people's governments at all levels have done a lot of work in implementing the party's policies on minority nationalities and strengthening and consolidating unity among minority nationalities. As a result, the minority nationalities have obtained equality and the right to be the masters of their own affairs."

In addition, the province has also trained some 21,600 minority nationalities cadres which represents an increase of 23 times over that of 1952. The minority nationalities areas have obtained great improvements as far as the economic and cultural situation is concerned. The total industrial output of Xiangxi Autonomous Prefecture and 4 other autonomous counties increased by 25.7 times in 1980 over 1953, total agricultural output increased by 100 percent, financial revenue increased by 640 percent and financial expenditures increased by 720 percent. In order to further strengthen unity among the minority nationalities, it is necessary to do a good job of popularizing the policies on minority nationalities. We must train and promote more minority nationalities cadres and reinforce the establishment of minority nationalities organs. We must help the minority nationalities areas to develop economic construction and improve the backward cultural and public health situation. We must adopt a correct attitude toward the customs of the minority nationalities and strengthen our leadership over nationalities work.

#### Session Concludes 23 Oct

HK280820 Changsha Hunan Provincial Service in Mandarin 1100 GMT 23 Oct 81

[Text] The 11th plenary session of the 5th provincial people's congress standing committee was concluded on the morning of 23 October. The session decided to convene the fourth session of the fifth provincial people's congress in Changsha in December. Today's plenary session adopted the Hunan provincial provisional regulations on the protection of forests and the development of forestry, the decision to convene the fourth session of the fifth provincial people's congress, the methods for putting forward motions at the fourth session of the fifth provincial people's congress, the decision on the time period for handling criminal cases, the supplementary name list of the committee of legislative affairs and the nationalities committee of the provincial people's congress as well as the name list of appointments and dismissals.

Qi Shouliang, vice chairman of the provincial people's congress standing committee, presided over the session. Responsible people of relevant provincial departments attended the session.



MAO ZHIYONG SPEAKS AT HUNAN ECONOMIC MEETING

HK281040 Changsha Hunan Provincial Service in Mandarin 2300 GMT 25 Oct 81

[Text] Recently, the Standing Committee of the Hunan Provincial CCP Committee held a meeting to study Comrade Chen Yun's "selected manuscripts" and relevant speeches by Comrades Hu Yaobang and Zhao Ziyang. On the basis of conscientiously studying the documents, the members of the standing committee discussed, in light of the local conditions, the province's sixth 5-year plan and the preliminary plan of the national economy in 1982.

Mao Zhiyong, Wan Da, Sun Guozhi, Jiao Linyi and other comrades delivered systematic speeches at the meeting. The participants analyzed the promising situation of the province, and in particular, the situation of the various fronts in the rural areas, and agreed that the situation is in the forefront and in the ascendant. In addition, the situation of industrial development is also promising. All the participants enhanced their revolutionary vigor and strengthened their confidence after studying the documents. They unanimously held: Our country's national economy will develop its range, quality and speed in 1982.

HUNAN IMPROVES ECONOMIC LEADERSHIP METHODS

HK281020 Changsha Hunan Provincial Service in Mandarin 2300 GMT 26 Oct 81

[Text] According to XINHUA NEWS AGENCY, an effective measure has been adopted by the leading departments in our province. This method is called "having a joint checkup and making decisions on the spot," which means calling cadres together to discuss matters and think of a way, and leading cadres giving the final say on the spot. In this way, different economic departments can be better coordinated.

Majitang power station in Taojiang County was originally built by the masses of this country. While it was still under construction, the relevant central department decided to install newly imported low-head hydraulic generating equipment in this station as an experiment. In consideration of the limit of a county's financial capacity and technological force, the provincial authorities decided last winter that this project should be invested in and managed by the provincial power industry bureau. At that time, some comrades in Taojiang County thought it was a loss for them, while some comrades in the provincial power industry bureau thought that it was now worthwhile to invest and manage this project, for they had to pay a big sum for the construction of the previous stage. Thus, this problem remained unsolved for several months.

In mid-September this year, Mao Zhiyong, first secretary of the provincial CCP committee, and Zhou Zheng, provincial vice governor, together with responsible cadres in the provincial power industry bureau, the provincial agricultural commission and the general office of the provincial CCP committee, paid a visit to Majitang power station in the intense heat. They made an on-the-spot investigation and discussed with responsible cadres from the administrative office of Yiyang Prefecture, with the Taojiang County CCP Committee and government, and with the standing committee of the county people's congress. Then they decided that this power station should be managed by the provincial bureau as soon as possible. It was also decided that the expenses for the construction of the previous stage would be paid by the provincial authorities, and that the county should continue to support the construction of the power station.

In the past 2 years, the leading departments in Hunan Province have solved a lot of "longstanding, big and difficult" problems through "having a joint checkup and making decisions on the spot." No wonder the cadres and masses say that this method deserves recommendation.

The editor's note of XINHUA NEWS AGENCY for publishing this news says; "In our economic work, coordination between departments, between workers and peasants, between towns and country often occurs. This is a contradiction. How can such a contradiction be solved? The method of "having a joint checkup and making decisions on the spot" adopted by Hunan Province through which problems are quickly solved after discussion deserves recommendation.

#### BRIEFS

**GUANGDONG HYDROELECTRIC POWER** -- Guangzhou, 14 Oct (XINHUA) -- Two hundred and forty new small hydroelectric power stations with a total generating capacity of 73,000 kW were built in Guangdong Province between January and August this year. To date the province has 14,000 small hydroelectric power stations with a total generating capacity of 1,082,000 kW. The small power stations produced 1,315 million kWh of electricity in the first eight months this year, accounting for 17.5 percent of Guangdong's power output. Ninety-six percent of the communes, 80 percent of the brigades and 50 percent of production teams in the province now have electric power. The province subsidizes the small hydroelectric power stations to the tune of 20 million yuan annually. Local banks loan 40 to 50 million yuan each year for construction of new power stations. [Beijing XINHUA in English 0754 GMT 14 Oct 81 OW]

**HAINAN RUBBER CULTIVATION** -- The Hainan Regional CCP Committee adopted an important decision at the recent rural work conference, allowing private individuals to cultivate rubber trees in accordance with the stipulated policies. It has been decided that individuals are only allowed to plant rubber trees in the areas around their houses or in their private plots. Those who plant rubber trees for their personal interest in the land of the collectives will be severely punished. [Guangzhou Guangdong Provincial Service in Mandarin 2330 GMT 3 Oct 81 HK]

**HENAN INDIVIDUAL UNDERTAKINGS** -- Zhoukou municipal people's government has reduced the exorbitant charges and fees which have been indiscriminately levied on individual undertakings. It has therefore lightened burdens on them and promoted their economic development. The municipal CCP committee and the municipal government have recently held many meetings to reiterate the State Council document which states that all individual industrial and commercial undertakings must pay taxes, charges and fees in accordance with the state taxation law and the relevant regulations of the local government and that no department or unit is allowed to indiscriminately levy charges and fees on them. The municipal CCP committee and the municipal government have also clearly formulated regulations requiring that the industrial and commercial bureaus impose management fees in a unified way in accordance with the regulations and that all other irrational charges and fees must be abolished. The number of individual industrial and commercial undertakings now is 2,000 of which 800 are run by young people who are awaiting employment. [Zhengzhou Henan Provincial Service in Mandarin 1130 GMT 6 Oct 81 HK]

**HUBEI LIGHT INDUSTRY OUTPUT** -- The monthly production of the province's No 1 light industry in September reached an all-time high. The total industrial output value exceeded 200 million yuan and was 15.17 percent more than that in August. In September, enterprises of the No 1 light industry system throughout the province paid special attention to enterprise rectification, enthusiastically practiced economic responsibility systems and further brought into play the workers' enthusiasm in production. Before practicing economic responsibility systems, it produced over 400 sewing machines per day in September. Enterprises of the No 1 light industry system in the Wuhan municipality practiced the system of fixed profit quotas and paid special attention to the production of three major products. The production levels of 14 main products such as cigarettes and soft drinks increased continuously. In September, the total industrial output value of this branch of industry exceeded 100 million yuan and reached an all-time high. [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 11 Oct 81 HK]

SICHUAN RIBAO ON INDUSTRIAL, COMMUNICATIONS WORK

HK230500 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 21 Oct 81

[Text] SICHUAN RIBAO carries an editorial today entitled: "The Most Important Thing Is Implementation." The editorial says: A series of policies, measures and methods were put forth recently at the provincial work conference on industrial and communications work. This is an important matter in promoting industrial and communications production in our province. The implementation of these policies will directly affect the fulfillment of the production tasks of the fourth quarter of this year and those of the next year.

Recently, responsible comrades of the central authorities instructed us to do solid work and grasp implementation. An important thing to do in carrying out the spirit of the conference is to implement well the various policies to promote our economic work. There are many things to do in carrying out the spirit of the conference, and the most important thing is to do a good job of implementation and avoid merely going through the motions. Only by so doing, can we effectively implement the spirit of the conference and achieve new successes. To grasp implementation means grasping the main aspect of work. Although many problems were discussed at the conference, the most important one is overcoming lax and weak leadership and further perfecting the responsibility systems. By grasping these two problems, many other problems will be readily solved.

In order to implement the spirit of this conference, the leading cadres at various levels must first have a high sense of responsibility toward the cause of our party and the people. Thus, they will be able to firmly and correctly carry out the party's principles and policies and overcome all difficulties to strive for the fulfillment of all tasks they are entrusted with. Leading cadres on the industrial and communications front are required to do a good job in passing on and implementing the spirit of the conference. They must not be unworthy of the trust of the party and the masses. In order to implement the spirit of this conference, leading cadres must go deep into grassroots units to investigate and study, and to find out and solve problems there. It is also necessary to examine all assigned tasks on a regular basis so that problems can be solved in good time.

The present situation of our provincial industrial and communications production is good. Although we have many problems, a new situation will surely be brought about if we firmly rely on the masses, take concerted actions and do well in implementing the spirit of this conference.

AN PINGSHENG ATTENDS YUNNAN COLLEGE RALLY

HK280655 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 26 Oct 81

[Summary] Yunnan nationalities college held a grand rally on 26 October to celebrate the 30th anniversary of the founding of the college. The college was built in 1951 and has been greatly enlarged during the past 30 years. The total number of students now amounts to some 1,500.

Leading party and government comrades such as An Pingsheng, Li Qiming, Liu Minghui, Zhao Zengyi, Gao Zhiguo, Sun Yuting, (Li Xingwang), Liu Shusheng) and so on attended the activities. Representatives of the United Front Work Department of the CCP Central Committee, the State Commission for Nationalities Affairs, Central Nationalities College and nationalities colleges of other sister provinces and municipalities attended the rally.



Comrade Sun Yuting, deputy secretary of the provincial CCP committee and vice chairman of the standing committee of the provincial people's congress, delivered a speech at the rally. He praised the minority nationalities college for its achievements obtained over the past 30 years and hoped that all school personnel would contribute more efforts to a better establishment of the school. (Ma Yao), director of the nationalities college also delivered a speech at the rally, reviewing the hardships the college encountered during the past 30 years and the achievements obtained. Other responsible comrades and representatives also spoke at the rally. All the participants of the rally and guests later visited the exhibition hall.

#### YUNNAN CONGRESS STANDING COMMITTEE MEETS

HK281048 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 27 Oct 81

[Summary] "The 10th Session of the Standing Committee of the 5th Yunnan Provincial People's Congress was held in Kunming on the morning of 27 October. The main agenda of the session was to listen to the report of (Wang Lianhuang), chairman of the provincial committee for nationalities affairs, on the situation and suggestions of nationalities work in the province; the report of (Huang Yidong), director of the provincial cultural bureau, on the situation of cultural, literature and art work; and the report of Zhang Zizhai, vice chairman of the standing committee of the provincial people's congress, on organizing certain standing committee members and people's deputies to inspect work. The session also discussed the problem of holding the fourth session of the fifth provincial people's congress, the election of additional deputies of the province to the NPC, and appointments and removals.

"Vice Chairman of the standing committee of the provincial people's congress Sun Yuting presided over the session. Vice Chairmen Wu Zuomin, Zhang Tianfang, Wang Shaoyan, Zhang Haitang, Xi Congzhen, Zhang Zizhai and Li Hecai attended the session. Members of the committee for nationalities affairs of the provincial people's congress were also present at the session. Those present at the session also included Vice Governors Dao Guodong, Yang Kecheng, Vice Chairman of the provincial CPPCC Ma Huiting, Deputy Director of the provincial supreme people's court (Li Wenjin), responsible comrades of the people's procuratorate, various departments concerned and standing committees of various autonomous county people's congresses."

In the report on the province's work in handling nationalities affairs, it was pointed out our province has scored achievements in nationalities work since the smashing of the gang of four and promising situations are found now in the minority nationalities areas. We should learn from the speech of Comrade Hu Yaobang which stressed unification with Taiwan and unity among the various nationalities. The report also put forth five suggestions in order to strengthen nationalities work in the province in the future.

The participants carried out group discussions in the afternoon.

#### BRIEFS

YUNNAN DISCIPLINE CIRCULAR -- The Discipline Inspection Commission of the Yunnan Provincial CCP Committee recently issued a circular, demanding that discipline inspection departments at all levels resolutely curb the malpractice of offering and receiving bribes in the course of negotiating contracts for capital construction. Some party organizations and leading comrades do not criticize and handle the cases in which a small number of party members and cadres receive bribes. Some do not even conduct investigation. To curb this unhealthy trend as quickly as possible, the circular demanded that party committees and discipline inspection departments at all levels regard curbing this malpractice as an important content in improving party work style. Therefore, it is essential to strengthen education in the legal system. It is also necessary to mobilize all Communist Party members to spontaneously resist the malpractice of offering and receiving bribes and giving dinners and presents. [Kunming Yunnan Provincial Service in Mandarin 1100 GMT 21 Sep 81 HK]

HEBEI CONGRESS TO HOLD THIRD PLENARY SESSION

HK290122 Shijiazhuang Hebei Provincial Service in Mandarin 0400 GMT 20 Oct 81

[Text] The Standing Committee of the 5th Hebei Provincial People's Congress held its 10th session on 18 and 19 October. The session decided to hold the Third Plenary Session of the Fifth Hebei Provincial People's Congress on 22 October. Niu Shucai and Huang Hua, vice chairmen of the Hebei Provincial People's Congress Standing Committee, presided over the session. The session discussed and adopted the work report of the Hebei Provincial People's Congress Standing Committee, the related matters concerning the holding of the third plenary session of the fifth provincial people's congress as well as some draft namelists. The work report of the provincial people's congress standing committee and the several draft namelists will be submitted to the Third Plenary Session of the Fifth Hebei Provincial People's Congress for examination and approval.

Jiang Yizhen, chairman of the provincial people's congress standing committee; and Wu Qingcheng, Ge Qi, Cao Youmin, Ding Tingxin, Quan Zhenmin, Zhang Da, Geng Changsuo, Pan Chengxiao, Zhou Xueao and Yang Dingan, vice chairmen of the provincial people's congress standing committee, attended the session. Guo Xiangmin, vice president of the provincial higher people's court; Wang Fu, deputy chief procurator of the provincial people's procuratorate; concerned comrades of the provincial people's congress and responsible people of the standing committees of the people's congresses of Hebei's 78 counties and municipal districts also attended the session as observers.

ZHOU HUI AT NEI MONGGOL INDUSTRIAL FORUM

SK220412 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 21 Oct 81

[Text] According to NEI MONGGOL RIBAO reporter (He Jinsheng) and our reporter (Sun Jiying), the regional CCP committee and the regional people's government recently convened a regional forum on industrial and communications production. The forum stressed that in the course of enforcing economic responsibility systems, responsible comrades of various enterprises should eliminate the erroneous practice of neglecting political work and mobilizing the enthusiasm of workers and staff only with bonuses, should combine political work with material rewards, educate workers and staff to adopt an overall point of view and have a sense of being masters of their own affairs, improve the relations among the state, enterprises and individuals and spread the idea of making more contributions to the state.

Forum participants said continually intensifying and perfecting economic responsibility systems is an important task for the industrial and communications front. Our region's industrial economic responsibility systems have been implemented on a trial basis beginning in 1979. At present, 76 percent of industrial enterprises throughout the region have instituted various economic systems. Generally speaking, these economic systems have been developing stably in a clear and correct direction over the past 3 years. However, we do not have enough experience with economic responsibility systems. There still are many problems in this regard. At present, we should conscientiously sum up experiences to solve these problems. We must establish as soon as possible the average distribution quotas and enact the system of checking and accepting the quality of products for various trades in order to strengthen financial management, prevent the evil practice of vigorously engaging in production which will earn a lot of money and refusing to engage in production which will earn less and correctly handle the profits of the state, enterprises and individuals. The income of workers and staff should be increased as production increases. However, we should take the people's interests into consideration and should never issue bonuses arbitrarily or excessively.

Having summed up production in the first 9 months of this year, participants pointed out that our region's industrial and communications production is not prosperous enough this year. In the January-September period, the total regional industrial output value decreased 3 percent from the corresponding 1980 period. Since May, when the regional industrial and communication meeting was held, our region's industrial production has taken a favorable turn, but the improvement has not been rapid. As of the end of September, the shortfall in output has not yet recovered. This will add to the production task in the fourth quarter. The forum urged the many workers and staff on the industrial and communications front to shoulder heavy loads, redouble their efforts in the fourth quarter and try in every possible way to fulfill and overfulfill production plans for this year. The forum also urged various localities to make proper arrangements and preparations for production in the first quarter of 1982 under the prerequisite of achieving success in industrial and communications production in the fourth quarter of this year. Commercial, supply and marketing and supply departments should closely coordinate with one another, vigorously organize raw materials and supply them to local industrial and communications departments and achieve success in the procurement and marketing of manufactured goods so as to make contributions to fulfilling and overfulfilling this year's production plans.

Attending the forum were Zhou Hui, first secretary of the regional CCP committee; Zhang Pengtu, deputy secretary of the regional CCP committee; and Chen Bingyu and Li Binsan, deputy directors of the regional people's government.

#### ECONOMIC PAPER ON NEI MONGGOL DEVELOPMENT PLANS

OW250454 Beijing XINHUA Domestic Service in Chinese 1150 GMT 23 Oct 81

[Excerpts] Beijing, 23 Oct (XINHUA) -- JINGJI CANKAO [4842 3444 0639 5072] carries a report on its front page today which states that the Nei Monggol Autonomous Region hopes to jointly develop 30 projects with fraternal provinces and municipalities. The main development projects proposed by Nei Monggol include the joint exploitation of the lumber and coal resources of Da Hinggan Ling, the joint management of areas to raise cattle and sheep and the construction of sugar refineries and dairy, chemical and building materials factories. Forty-five percent of the Da Hinggan Lin virgin forests, which have a reserve of 270 million cubic meters of lumber, have not been exploited because of the lack of roads. In addition to requesting increased state appropriations for the development of the forestry industry, Nei Monggol is also welcoming investments from fraternal provinces and municipalities to exploit its lumber resources. All investments will be paid back with lumber.

Nei Monggol has coal reserves of about 200 billion dun, second only to Shanxi Province. Nei Monggol is willing to negotiate with fraternal provinces and municipalities to jointly exploit these reserves. At the same time, it intends to jointly exploit its coal reserves with foreign enterprises within the limits permitted by state policy. Not long ago, the State Council agreed in principle to the implementation of some specialized policies in Nei Monggol. The Nei Monggol Autonomous Region is determined to make use of these special policies and its considerable reserves in coordinating with fraternal provinces and municipalities for economic development on the basis of mutual aid and benefit.

Deputies who attended the north China regional conference on economic and technical cooperation from 11 provinces and municipalities, including Beijing, Shanghai, Jiangsu, Zhejiang and Hebei expressed great interest in Nei Monggol's proposal. Talks between the provinces and municipalities and Nei Monggol are now being held.



NEI MONGGOL CADRES HEAR PRC-SRV BATTLE REPORTS

SK271345 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 26 Oct 81

[Text] Eight representatives of the armed police from the border areas of the Guangxi Zhuang Autonomous Region and Yunnan Province recently came to our region to pass on their valuable experiences. Under the leadership of local party committees and government, the armed police stationed in the southern border areas, displayed high spirits of revolutionary heroism and patriotism in actively participating and supporting local border troops in repelling the invasion by Vietnamese troops in the defensive battles at (Huaajia) Mountain in Guangxi and (Koulin) Mountain in [word indistinct] areas and victoriously fulfilled their border defense task.

On 24 October the regional public security department sponsored a report meeting. (Zuo Jiadi), representative from a third-class meritorious unit and political instructor of (Tianbao) border defense station in Yunnan Province, discussed how the policemen of his unit successfully pinned down the enemy. (Zhu Kailu), winner of a second-class merit citation and leader of the armed police platoon under the (Youai) border police substation in Guanxi Autonomous Region, related his deeds in rescuing wounded comrades in the defensive battle at (Huaajia) Mountain. (Bai Wanghui), winner of a third-class merit citation and leader of the Pingxiang municipal police brigade in Guangxi Autonomous Region; (He Youqin), representative of a second-class meritorious unit and chief of the Mengpeng border defense station in Yunnan Province; and (Xu Wenmao), chief of the propaganda section of the Guangxi regional border defense bureau, also viewed the heroic deeds of the armed border policemen in the defensive battles at (Huaajia) and (Koulin) Mountains.

Over 1,000 public security cadres and policemen in the Hohhot area heard the reports. The eight-member report group will visit Erenhot municipality to report their heroic deeds.

TIANJIN GETS HUANG HE WATER TO EASE DROUGHT

OW291214 Beijing XINHUA in English 1200 GMT 29 Oct 81

[Text] Tianjin, October 29 (XINHUA) -- Water channelled from the Yellow River in Henan Oct. 15 to relieve the acute water shortage in Tianjin, one of China's largest industrial cities, reached the municipality yesterday, one week ahead of schedule.

The water supply crisis is the result of a two-year-old drought across the entire north China plain, exacerbated by excessive industrial and civil use. Engineers estimate the amount of water needed for Tianjin alone is 600 to 700 million cubic meters each year.

The water from the Yellow River in Henan will provide 350 million cubic meters. The shortfall will be made up by another diversion project from Shandong later this year. The water now arriving is channelled into the people's victory canal in Henan Province, 800 kilometers south of Tianjin, and diverted to the city finally via the south grand canal. At 8:00 a.m. yesterday, 60 million cubic meters arrived at the Jiuxuan sluice gate at Jinghai County on the southwestern outskirts of Tianjin. The water from the river, the most silt-laden in the world, will be treated at the municipal treatment plant and diverted into the city's water system.

Hu Qili, mayor of Tianjin, thanked the people of the surrounding provinces of Henan, Shandong and Hebei who contributed to the project. He said the shortage would not, however, be solved within a short period and that efforts must be continued to save water.

HEILONGJIANG RIBAO ON MECHANIZED FARMING

HK280847 Harbin HEILONGJIANG RIBAO in Chinese 27 Sep 81 p 1

[Editorial: "We Must Vigorously Practice the Responsibility System of Linking Remuneration to Output in Specialized Contracts for Mechanized Farming"]

[Text] Diverse forms of responsibility system linking remuneration to output have been universally established, and gradually improved and perfected in the countryside of our province and have brought great vitality to agriculture, forestry, animal husbandry, sideline occupation and fishery. In establishing the production responsibility systems in our province we have attached importance to developing responsibility systems in farming operations mainly done by machines. This is a special feature in our province.

Why must we vigorously practice the responsibility system of linking remuneration to output in specialized contracts for mechanized farming? This is a task raised to integrate the party's policies with the actual local conditions. As we all know, there are vast stretches of arable land in our province and the farming there is highly mechanized. At present our province has 1/7 the total number of large and medium-sized tractors and over half of the combine harvesters in the whole country. Sixty percent of our land is plowed by tractors. (The percentage is 80 percent in wheat and soybean areas.) The ratio of the area of arable land to the horsepower of tractors is as high as Italy and West Germany where the agriculture is basically mechanized. In fact, agricultural machinery already constitutes a major part of the agricultural productive forces in our province today and we may say that without machines it would already be very hard for us to till the land. This only takes into account the existing state of affairs. Taking development into consideration in order to build Heilongjiang into a commodity grain base for our country, we have to further develop and perfect our agricultural machinery. Under these conditions, we should take into consideration how to suit the practical conditions in the structure of the agricultural productive forces and how to be able to promote rather than weaken the development of agricultural machinery, when we establish an agricultural production responsibility system. We should adhere to the principles of seeking truth from facts, adapting ourselves to local conditions and utilizing to the utmost our strong points and avoiding our weak points.

It is precisely because mechanized productive force is so important that we have to pay relatively great attention to vigorously developing the responsibility system for mechanical farming. Mechanization means not only increasing the number of machines, making them form complete sets of equipment and improving their quality, but also improving their management and operation, raising the efficiency and quality of their operation and making the existing machinery play a greater role. Large quantities of agricultural machinery provide us with superiority in agricultural production forces, but if there are no production responsibility systems to ensure the intensification of scientific management, or if the practice of "eating out of a big pot," though eliminated in manual labor, remains unchecked in machine operation, the superiority of mechanization will fail to play its role and the development of agriculture will be impeded. Therefore, we should exert ourselves to establish well the responsibility system linking remuneration with output in mechanical farming, in special contracts linking machine operation with manual labor and in other special contracts. In solving these problems, we should make a study of them as a whole so as to gradually set up a complete set of perfect responsibility systems that suit the practical conditions in our province and that are characterized by the practice there.

The responsibility system linking remuneration with output in special contracts, as a form of management in socialist agricultural economy and as a form of distribution to carry out the socialist principle of distribution according to labor, suits both manual labor and machine operation. In various socialist enterprises, though the structure and level of development of the productive forces differs, the requirement for carrying out the job responsibility system and the principle of distribution according to labor remains the same.

In carrying out these systems, we should always link the laborers' income with the result of their labor so as to provide them with self-motivation and bring their roles into better play. Since the year before last, some communes and production teams in our province began to establish the responsibility system linking remuneration with output in special contracts with their agricultural machinery teams. Now, about 2/3 of the agricultural machinery teams have been performing under such contracts. The results have been remarkable. The masses commented that in the past the agricultural machinery teams and the production teams were "not of one mind," but now they are "united and have one mind only." Whenever attention has been conscientiously paid to the mechanized farming responsibility system, there has occurred a pleasing change in their management of agricultural machinery and in the result of their efforts in increasing output and income.

We lay stress on the mechanized farming responsibility system linking remuneration with output, while practicing various kinds of other responsibility systems linking remuneration with output. This fact must be conducive to removing a few comrades' worries on this problem. Recently, seeing the great effect brought about by making responsibility contracts linking remuneration with output inside and outside the province in mobilizing the labor initiative of the commune members whose operation is mainly manual, some comrades expressed their great support for the system. This is a correct attitude. However, they began to entertain doubts about the necessity to further develop the mechanization of agriculture. This is wrong. They forget that the establishment of any responsibility system is aimed at increasing output and income, and must, therefore, also be aimed at protecting and developing the advanced productive forces. Otherwise, there will not be a longstanding and continuous increase in production. Besides, it is also wrong to think that the responsibility system linking remuneration with output can be carried out and play a positive role only in scattered and backward manual labor, but not in the agricultural production that adopts modernized means. Seeing the contradictions that have temporarily occurred between the manual and mechanized operations in carrying out the responsibility system linking remuneration with output for manual labor, some comrades feared that this will have a bad impact on the prospects of mechanization. This is also due to their failure to have a clear understanding of the fact that it is entirely possible for mechanized farming and other responsibility systems to be well integrated, to be carried out without contradicting each other and to supplement each other. Both the above views are caused by our failure to make a profound analysis of the reality and our one-sidedness in viewing problems. These cognitive errors of subjectiveness and one-sidedness are intolerable. There is an ancient fable in our country about a youngster from the kingdom of Yan during the warring states period. Hearing that the people in Handan, the capital of the kingdom of Zhao, were good at walking, the youngster went there to learn from their way of walking. But he "failed to learn even a little bit about their way of walking and forgot his old way of walking". At last, he "had to crawl on his hands and feet back home." From this fable we have two Chinese sayings: "The way of learning the way of walking in Hanan," and "sticking to the old way of walking". The former is used to sneer at those who imitate other people and abandon their own ways and are, therefore, reduced to blindly following others; the latter is used to sneer at those who refuse to accept new ways and new things and are therefore reduced to entertaining a blind conceit in themselves. These two sayings are opposite in meaning, but they have a common profound implied meaning of seeking truth from facts. In popularizing the responsibility system for agricultural production during the past 2 or 3 years, our province, under the leadership of the provincial CCP committee, has precisely made efforts to avoid this blindness and one-sidedness and always persisted in proceeding from reality in our province and in making arrangements out of consideration for the whole situation. Now, throughout the province, we have widely carried out in our agricultural production the responsibility system linking remuneration with output for mechanized farming and for manual farming and of specialized contracts for cash crops and diversified economy in various forms. Meanwhile, we have also made long-term and short-term arrangements for setting up the "three-thirds system" in agricultural production (the total output value of grain, beans and potatoes, that of industrial crops and that of the diversified economy such as forestry, animal husbandry, sideline occupations and fishery each constitute 1/3 of the total of agricultural production), for combination and unification of agriculture, industry and commerce in the countryside and for developing commune members' sideline occupations and small rural towns. Viewed as a whole, the development has been healthy and remarkable results have been achieved.



The responsibility system linking remuneration with output in specialized contracts for mechanized farming that has already been established in our province at present is mainly in the following three forms: the first is that the machinery unit takes the full responsibility alone by contract. This form is mainly adopted in wheat and bean areas by teams with relatively highly developed mechanized farming. The second is that the machinery team (or the vehicle team) and the production team (or the operation team) take joint responsibility by contract. This form is mainly adopted in areas of food grain other than wheat and rice. The third is that the machinery team (or the vehicle team) and the production team (or the operation team) take responsibility separately by contract -- the machinery team takes responsibility for the operation that is more appropriate for machines to do and the production team takes responsibility for the operation done by manual labor and animals. These three forms are not all and they are developing and being continuously perfected. The establishment of the responsibility systems for either mechanized or manual farming are not aims in themselves but means by which we develop production and increase output and income. In deciding what form to adopt in an area, we should take into account the productive forces and other conditions there. At present, the development of mechanization in our province differs in different areas. It is quite well developed in quite a few communes and production teams where most of the operation from sowing to reaping is done by machines, but in the majority of areas the operation is done jointly by machines, manual labor and animals. There are still a few areas where the operation is mainly done by manual labor and animals. The uneven development of the productive forces requires us to persist in proceeding from the actual local conditions and adapting ourselves to the local special features in setting up the responsibility system for mechanized farming. Any form will be adopted as long as it suits the actual level of the productive forces there, as long as it is welcomed by the masses and as long as it can increase output and income. Even those forms of responsibility systems other than that linking remuneration with output can be adopted. The party committees and government departments at all levels must pay attention to the establishment and perfection of the responsibility system for mechanized farming. They should intensify their leadership, make more investigation and study, sum up experiences, help the basic level to solve the new problems they meet in carrying out the system and support the masses' practice and creation. So long as we all act in this way, the responsibility system for mechanized farming in our province is sure to be more rapidly popularized and further advanced on the existing basis.

#### HEILONGJIANG'S LI DESHENG INSPECTS AIR DEFENSE

SK240915 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 23 Oct 81

[Text] Li Desheng, chairman of the people's air defense committee of the Shenyang PLA units, and his entourage recently went to Qiqihar and Harbin municipalities to inspect the work of combining peacetime needs with war preparedness at people's air defense projects. Li Desheng was satisfied that these two municipalities have not only paid attention to utilizing large-scale projects, but also to utilizing and transforming small-scale projects. He also fully affirmed the utilization of small people's air defense works scattered in various residential areas. He urged the province to score more achievements, eliminate shortcomings, act in line with local conditions and capabilities and improve our work step by step.

Also joining the inspection were Chen Jianfei, secretary of the provincial CCP committee and deputy provincial governor, and responsible comrades of the national people's air defense office, the Shenyang PLA units' department, the engineering corps of the Shenyang PLA units and people's air defense committees and offices under Liaoning, Jilin and Heilongjiang Provincial Military Districts.

QINGHAI CPPCC COMMITTEE SESSION OPENS 25 OCT

SK270641 Xining Qinghai Provincial Service in Mandarin 2330 GMT 26 Oct 81

[Excerpts] The Fourth Session of the Fourth Qinghai Provincial CPPCC Committee was ceremoniously opened in Xining yesterday afternoon. The agenda of the fourth session of the fourth provincial CPPCC committee, a namelist of the members of the motions examination committee and other related matters were approved at yesterday's meeting. Zhou Long, vice chairman of the provincial CPPCC committee, chaired the meeting. Guo Tingfan, vice chairman of the provincial CPPCC committee, gave an opening address.

Comrade Zhang Guosheng, secretary of the provincial CCP committee, also addressed the meeting. Fang Xin, vice chairman of the provincial CPPCC committee, delivered a report on the work of the fourth provincial CPPCC committee standing committee.

Attending yesterday's opening session and sitting in the front row of the rostrum were Zhang Guosheng and Zhao Haifeng, secretaries of the provincial CCP committee; Song Lin and Ma Wanli, deputy secretaries of the provincial CCP committee; and Zhang Baian, Ma Letian, Su Yaoliang, Zhou Chongde, Sang-re-jia-cuo and Sun Zengrong, vice chairmen of the provincial CPPCC committee. Responsible persons of the United Front Work Department of the provincial CCP committee and other pertinent departments attended the session as observers.

QINGHAI HOLDS FIFTH PEOPLE'S CONGRESS SESSION

## 27 Oct Preparatory Meeting

SK280310 Xining Qinghai Provincial Service in Mandarin 1100 GMT 27 Oct 81

[Text] A preparatory meeting for the Fourth Plenary Session of the Fifth Qinghai Provincial People's Congress was held at the provincial people's auditorium this afternoon. Liu Chengyun, vice chairman of the provincial people's congress standing committee, presided over the meeting. The participants elected the presidium of the fourth plenary session and approved the candidate for the session's secretary general and the session's agenda which includes hearing and examining the work report of the provincial people's government, examining and approving the work report on the 1981 provincial readjustment of the national economy and reports on the 1980 financial final accounts and on the 1981 financial budget, hearing and examining the work report of the provincial people's congress standing committee, hearing and examining the work reports of the provincial higher people's court and the provincial people's procuratorate, electing members for the fifth provincial people's congress standing committee and offering slates for additional deputy governors of the province.

The preparatory meeting also approved the namelist of chairman, vice chairmen and members of the credentials committee for deputies to the fifth provincial people's congress. (Yang Qilin) was elected chairman of the committee and (Fu Huan), (Yang Wending) and (Liu Yongming) were elected vice chairmen. The namelist of chairman, vice chairmen and members of the motions examination committee at the fourth plenary session of the fifth provincial people's congress was approved. Xia-rong-ga-bu was elected chairman of the committee and (Guo Ruozhen) and (Zhu Jia) were elected vice chairmen.

Following the preparatory meeting, the new presidium held its first meeting at which permanent chairmen for the session, including Wu Shengrong, Zhao Haifeng, Liu Chengyun, Ma Wanli, Xia-rong-ga-bu, Xie Gaofeng, Ma Wending and (Shi Lixian), were elected. It also approved the fourth plenary session's agenda, the rotation schedule for executive chairmen, the namelist of deputy secretaries general of the plenary session, the credentials report on additional deputies and the report on deputies' attendance given by the session's credentials, committee, and the principle of filing motions and the final date for motions set by the motions examination committee.

## Session Opens 28 Oct

SK290519 Xining Qinghai Provincial Service in Mandarin 1100 GMT 28 Oct 81

[Excerpts] The Fourth Plenary Session of the Fifth Qinghai Provincial People's Congress ceremoniously opened in Xining municipality today. The opening ceremony of the session was presided over by Comrade Zhao Haifeng, executive chairman of the plenary session. Wu Shengrong, vice chairman of the provincial people's congress standing committee, made an opening speech.

At the ceremony Governor Zhang Guosheng gave a work report on behalf of the provincial people's government. His work report includes the following four aspects: 1) our province has steadily improved its economic situation and the people's livelihood has been further improved; 2) earnest efforts have been made to implement, perfect and upgrade the responsibility systems by assigning production output quotas to further bring into play the enthusiasm of peasants and herdsmen in socialist production and to vigorously advance agricultural and animal husbandry production; 3) strenuous efforts have been made to grasp readjustment and conduct technical innovation and renovation and the renewal of equipment among enterprises so as to improve economic results; 4) efforts have been made to strengthen commodities' transactions and give full scope to the balanced roles of financial and monetary departments to promote production, ensure supplies and stabilize markets and prices; and 5) efforts have been made to strengthen political and ideological work in order to enhance work spirit and strive to advance economic work in our province.

In conclusion, Governor Zhang Guosheng stated that the economic readjustment is newly developed in our province, and the work as a whole in this regard is only beginning. The future tasks for this work are very heavy. We should resolutely respond to the call issued by the 6th Plenary Session of the 11th CCP Central Committee and closely rally around the CCP Central Committee under the great banner of Marxism-Leninism-Mao Zedong Thought. Continuous efforts should be made to carry forward the spirit of the foolish old man who moved the mountain, work with one heart and one mind, go all out to make the country strong and strive to advance the economic work in our province.

Present on the rostrum of the ceremony were other executive chairmen, including Liu Chengyun, Ma Wanli, Xia-rong-ga-bu, Xie Gaofeng, Ma Wending and (Shi Lixian). Also attending the session as observers were all members who are attending the fourth plenary session of the fourth provincial CPPCC committee and responsible comrades from departments concerned under the provincial people's government and from a number of prefectures and counties.

## Zhang Guosheng Economic Report

SK290905 Xining Qinghai Provincial Service in Mandarin 1100 GMT 28 Oct 81

[Text] In his government work report at the fourth session of the fifth provincial people's congress on 28 October, Governor Zhang Guosheng discussed the province's economic situation. He pointed out: Although our province's agricultural production has suffered natural calamities this year, the output of grain and oil-bearing crops will not be lower than the 1979 level. We are having a good harvest in livestock production.

He said that since the third session of the fifth provincial people's congress, rural areas in our province have worked to implement economic policies and readjust the imbalance in the agricultural structure. Meanwhile, we have paid great attention to instituting and improving the responsibility system in agricultural and livestock production, such as calculating payments on the basis of output. As a result, agricultural and livestock production has increased markedly. In 1980, the province's output of grains and oil-bearing crops was a record. In 1981, about 30 percent of the province's acreage for grains and oil-bearing crops was affected by floods. However, with implementation of the system of calculating payments on the basis of output, the masses have been enthusiastic in providing for and helping themselves by engaging in production, thus reducing the effects of natural disasters.



In livestock production, some 3.97 million head of young livestock have been delivered and have survived this year. The number of livestock has increased by 154,000 head over the 1980 figure. Rapid development of livestock production has been achieved in crop-growing areas. The number of livestock has increased 18.7 percent. Diversified production and commune members' sideline production have developed well. In 1980 the grain and cash the peasants received from the collectives increased markedly. The per capita grain ration in crop-growing areas was 448 jin, an increase of 98 jin over 1979. The per capita income in livestock raising areas was 189.4 yuan, a 10.7 yuan increase over 1979.

Zhang Guosheng said new industrial development has been achieved in the course of continued implementation of the readjustment policy. This year we embarked on readjusting enterprises. We have reshuffled and strengthened leading bodies at 39 enterprises and implemented the economic responsibility system in 350 enterprises. This helped mobilize the masses' enthusiasm in production and improve enterprise management. We emphasized light and textile industries and consumer goods production.

In discussing the achievements scored on other fronts, Zhang Guosheng said we have scaled down capital construction and readjusted investment outlets in the past year. The 1981 planned investment on capital construction was cut by 29.8 percent from the 1980 level. We placed stress on 17 key capital construction projects, including school facilities, staff housing and light, textile and construction materials industrial projects. Staff housing totaling 400,000 square meters in floor space is expected to be completed by year's end. The situation of market supplies is good, and prices are basically stable. People's purchasing power has increased, and rural and urban living standards have improved. Some 50,093 urban youths awaiting employment have arranged jobs in state, collective and individual enterprises.

Zhang Guosheng pointed out that the practice in the past year has proved that the policy set forth at the work conference of the party Central Committee held last December calling for further economic readjustment and greater political stability is absolutely correct. During the past year, governments at all levels and people in various localities have scored gratifying achievements in implementing central policies. However, many problems exist in our work. The major ones are production tasks assigned to heavy industry are seriously inadequate. This results in a considerable drop in industrial output. In agricultural production the system of calculating payments on the basis of output has not been comprehensively implemented, improved and upgraded. Grasslands capital construction leaves much to be desired. Diversified production has not been extensively developed. Scientific farming lags. There are many new situations and new problems in finance, trade and other sectors of the economy crying for a solution. We must make thorough studies and investigations to solve them one by one to meet the requirements of the new situation.

#### BRIEFS

**QINGHAI TRADE UNION SESSION** -- The seventh committee of the Qinghai Provincial Trade Union Council held its first plenary session on 10 October. At the session, 15 members of the seventh provincial trade union council standing committee and members of its fund examination committee were elected. Comrade Ma Zhiqing was elected chairman of the standing committee. (Han Yili), (Zhang Zhongyu), (Huang Shaoyi) and (Zhang Zixiang) were elected vice chairmen of the standing committee. [Xining Qinghai Provincial Service in Mandarin 1100 GMT 11 Oct 81 SK]

**QINGHAI ANIMAL HUSBANDRY** -- Qinghai Province achieved good results in livestock breeding this year. The gross increase in numbers of animals was higher than in 1980. According to initial statistics, 3.97 million head of young animals were delivered this year in the six animal husbandry prefectures of the province. After deducting the loss of grown animals, the gross increase was 3 million head and the gross increase rate was 15.4 percent. [Xining Qinghai Provincial Service in Mandarin 1100 GMT 18 Oct 81 SK]

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